

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 2nd October, 2002

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.475

POLICE HARASSMENT IN KAMUKUNJI

Mr. Deputy Speaker: Is Mr. P.K. Mwangi not here? We will come back to that Question later.
Next Question!

Question No.470

IMPOSITION OF VAT ON CANE TRANSPORTATION

Is Mr. Wamunyinyi not here? We will come back to that Question later.
Next Question!

Question No.474

ALLOCATION OF SCHOOL TEXTBOOK FUND

Mr. Khamasi asked the Minister for Education:-

- (a) whether he could table a list of all districts and amount of money each district has received in respect of School textbook Fund for primary schools in the country;
- (b) what criteria was used in allocating these funds; and,
- (c) what the Ministry's plan is to sustain this fund.

Mr. Deputy Speaker: Is the Minister for Education here? We will come back to that Question later.
Next Question!

Question No.462

PROVISION OF WATER TO MWATATE DIVISION

Mr. Mwalulu asked the Minister for Water Development what urgent measures he is taking to provide residents of Maktau, Mwatate Division, with water.

Mr. Deputy Speaker: Is the Minister for Water Development not here? We will come back to that Question later.
Next Question!

Question No.323

REMITTANCE OF ROAD MAINTENANCE
FUNDS TO NYERI

Is Dr. Murungaru not here? We will come back to that Question later.
Next Question!

Question No.472

ADVERTISEMENT OF ROADS TENDER

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

- (a) whether he is aware that the Chief Engineer (Roads), advertised tender for roads class D, E and rural access roads in some parts of the country, while these do not fall under his docket; and,
(b) what circumstances led to these roads being taken over by the Ministry.

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

(a) I am aware that the Chief Engineer (Roads) advertised tender for roads on Class D and E in some parts of the country.

(b) Authority was given by the Kenya Roads Board (KRB) who manage these roads for the Roads Department to advertise these roads because the capacity for resources, procurement and management of contracts exist in the Roads Department for works of such magnitude.

Mr. Otula: Mr. Deputy Speaker, Sir, Roads D and E and rural access roads fall under the District Engineer. The roads in Question had been advertised by the Chief Engineer (Roads). Could the Assistant Minister explain what political interest he had in advertising these particular roads directly and not through the DDCs?

Eng. Rotich: Mr. Deputy Speaker, Sir, there was no political interest in this matter. All we wanted was to have the roads done. These roads pass through more than six districts; so, I do not see what interest I could be having in six districts.

Mr. Deputy Speaker: You have not answered the Question. You may not have an interest, but why were they taken over by the Chief Engineer (Roads) when, in fact, they should have fallen under the District Roads Committee?

Eng. Rotich: Mr. Deputy Speaker, Sir, we got concurrence from the Kenya Roads Board to advertise the tender for these roads. There is no problem with that. There is no other interest at all.

Mr. Muchiri: Mr. Deputy Speaker, Sir, nothing can be done without a reason. Could the Assistant Minister explain to this House what led to the advertisement of the tender for these roads because an officer was paid to do that job?

Eng. Rotich: Mr. Deputy Speaker, Sir, some of the works on these roads cost in excess of Kshs40 million. If we allow the DDC to use the DRC money, these roads would never have been done because each constituency is allocated Kshs5 million. It is not possible to do those roads through the DRCs.

Mr. Kihoro: Mr. Deputy Speaker, Sir, the classification of the roads in this country has been done by the Kenya Roads Act. Under the Act, Classes A, B and C are the ones that fall under the Chief Engineer (Roads). Classes D, E, F and other unclassified roads are supposed to fall under the District Engineer. If the Ministry has been given authority to take over roads under classes E and D, where will the money come from to pay the people who will do that work, especially when we know that you have already paid so much money in unauthorised pending bills?

Eng. Rotich: Mr. Deputy Speaker, Sir, the money will come from the Fuel Levy Fund.

Mr. Kihoro: Mr. Deputy Speaker, Sir, is the Assistant Minister saying that they are going to mess up the operation of the Act; that is, if they are going to start using money that is supposed to go to the district in paying people who are now going to be advertised at the headquarters? Eng. Rotich, are you saying that you are going to mess up the Act and you no longer follow that classification that has already been set up by the Act?

Eng. Rotich: Mr. Deputy Speaker, Sir, the classification is done by the Act. The classification is done differently. It is only that the Act stated that Classes A, B and C are under the Roads Department. Class BE and other roads, which is R, Special Purpose Roads, are under the DRC. So, it is not the KRB that is classified; it is only allocating certain classes of roads to certain agents.

Mr. N. Nyagah: Mr. Deputy Speaker, Sir, the Assistant Minister, while answering this Question, said that the DRCs have been allocated Kshs5 million. Could he explain the amount that was given out per constituency? Could he also explain as to which constituency has received Kshs5 million because, in Nairobi, we certainly have not received that kind of money?

Eng. Rotich: Mr. Deputy Speaker, Sir, during the last financial year, each constituency received Kshs5.5 million. This year, in fact, within the next two weeks, we shall issue Kshs2 million per constituency as part of that

Kshs5.5 million.

Mr. Otula: Mr. Deputy Speaker, Sir, the Assistant Minister has said and confirmed that he knows that the engineer advertised the roads. Could he lay on the Table the names of the roads which were advertised and how much was supposed to be spent on each road?

Eng. Rotich: Mr. Deputy Speaker, Sir, it is very difficult to know how much each road would cost because when you advertise, you do not know how much it is going to cost; it is the quotation that determines. But I do not have the list, if that is what the hon. Member has asked.

Mr. Deputy Speaker: Order! Surely, Mr. Assistant Minister, you did not have an engineer's estimates before you went to tender. If you did, how much money was allocated for each road?

Eng. Rotich: Mr. Deputy Speaker, Sir, it is very difficult when you are tendering to give the engineer's estimates.

Mr. Deputy Speaker: Order! Mr. Engineer, you know that---

Eng. Rotich: Mr. Deputy Speaker, Sir, we have the figure, but it is very difficult when you are doing this to tell the contractor that it is going to cost Kshs10; so, he or she should give a quotation for Kshs10. I do not think so.

Mr. Deputy Speaker: Order! No! The basis of your accepting tenders is the engineer's estimates. So, you have some rough idea.

Eng. Rotich: I am saying that we have a rough estimate; an engineer's estimate, but we do not tell the contractors that the estimates are going to be so much amount of money.

Mr. Deputy Speaker: Maybe, that is not a contractor; that is an hon. Member of this House.

(Laughter)

Next Question by Mr. Kitonga!

Question No.459

PROVISION OF AMBULANCE TO MUTITO HEALTH CENTRE

Mr. Deputy Speaker: Is Mr. Kitonga not there? We will come back to his Question! For the second time, Mr. P.K. Mwangi's Question!

Question No.475

POLICE HARASSMENT IN KAMUKUNJI

Mr. Deputy Speaker: Mr. P.K. Mwangi is not there? His Question is dropped!

(Question dropped)

For the second time, Question by Mr. Wamunyinyi!

Mr. Wamunyinyi: Mr. Deputy Speaker, Sir, may I apologise for coming late. But I was attending to my constituents.

(Laughter)

Question No.470

IMPOSITION OF VAT ON CANE TRANSPORTATION

Mr. Wamunyinyi asked the Minister for Finance:-

(a) whether he is aware that the Kenya Revenue Authority has imposed VAT on cane transport costs incurred during transportation of raw cane from the farms to the factory;

(b) whether he is further aware that this has necessitated an increase in the cost of production which would adversely affect the industry; and,

(c) whether he could consider scrapping the levy.

Mr. Deputy Speaker: Order, Mr. Wamunyinyi! Coming late is bad enough; behaving in a disorderly manner is worse!

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

(a) Transportation of goods is a taxable service. I am, therefore, aware that the VAT was being charged on cane transport.

(b) I am also aware that there has been a minimal increase in the cost of production of sugar as a result of imposition of the VAT. However, following an appeal to the VAT Tribunal by one of the sugar factories, a ruling was made on 30th August, 2002, that cane transportation was not taxable with effect from 1st September, 2001, when agricultural animal husbandry and horticultural services were made tax exempt. The KRA accepted the ruling and withdrew the assessment for the period starting from 1st September, 2001.

(c) In view of what I have just said, this does not now arise.

Mr. Wamunyinyi: Mr. Deputy Speaker, Sir, I would like to thank the Minister for the decision taken by the KRA to stop charging the VAT on transport, but some of the factories are still charging the VAT on transport and turning the same to the farmers. Could he undertake to ensure that those who are charging stop doing so and refund the same to the farmers?

Mr. Obure: Mr. Deputy Speaker, Sir, if there are any factories doing that, that would no longer be considered valid. As I have said, no assessments would be raised and no tax would be payable on transportation of cane to sugar factories.

Question No.474

ALLOCATION OF SCHOOL TEXTBOOK FUND

Mr. Khamasi asked the Minister for Education:-

(a) whether he could table the list of all districts and amount of money each district has received in respect of School Textbook Fund for primary schools in the country;

(b) what criteria was used in allocating these funds; and,

(c) what is the Ministry's plan to sustain this fund.

The Minister for Education (Mr. Kosgey): Mr. Deputy Speaker, Sir, I apologise for coming late.

I would like to lay on the Table the list of the districts and the money received in the TextBook Fund.

(Mr. Kosgey laid the list on the Table)

It has been in three phases; from 1999/2000 financial year to 2001/2002, amounting to nearly Kshs2 billion. The criteria for allocation are as follows: Geography and physical environment of the district, the poverty level, availability of textbooks in the schools and school enrolment.

Mr. Deputy Speaker, Sir, we have the National Book Policy which was initiated in June, 1998, and the aim of this policy is to make sure that our primary schools have books, at least, up to 50 per cent of the requirement in the school. That is to say that there is provision of one textbook for three pupils in Standard One to Standard Five, and one textbook for two pupils in Standard Six to Standard Eight. Within five years, we hope to be able to equip all our schools.

Under the poverty eradication plan, you will notice that this is one of those items that has been ring-fenced. So, the money must come from the Exchequer, if we have to reduce the amount as a result of lack of finances, this is one item that would not be reduced. It should be increased, in fact, along with the bursary fund. **Mr. Khamasi:**

Mr. Deputy Speaker, Sir, I am sure you do not have the list that the Minister has laid on the Table, but if you had it, you would be surprised. If you look at the figures provided under that list, they are completely skewed in favour of the people who manage that particular programme. For example, Kakamega, which is my district, and which is one of the most densely populated districts in this country, with many schools as well as being poor, has been allocated Kshs17 million. If you look at the neighbouring districts; for example, Nandi District has been allocated Kshs54 million; Bungoma, Kshs74 million; Makeni, Kshs63 million; and Machakos, Kshs76 million. You just wonder why that has got to be so. If the Minister compared Kakamega and Lugari in terms of poverty levels, the number of schools and the population in schools, why should there be that marked difference?

Mr. Kosgey: Mr. Deputy Speaker, Sir, I explained that there is a formula we use. One of the formulas we use is the enrolment in schools and the poverty index. I think the Questioner is reading selectively. I agree the old Kakamega District was very big, but it has been split.

Mr. Khamasi: On a point of order, Mr. Deputy Speaker, Sir. The Minister should not mislead this House. Is he in order to say that Lugari is part of Kakamega, when it is appearing here as a separate district?

Mr. Kosgey: Mr. Deputy Speaker, Sir, obviously, the hon. Member is not listening. I said that the old Kakamega is different from the current Kakamega District. He is reading selectively. Lugari District received Kshs27 million; Vihiga Kshs38 million; Kakamega, Kshs17 million, and Butere-Mumias, Kshs24 million. These figures have been worked out very carefully, based on the enrolment, poverty levels and other considerations. For example, let us pinpoint a district which got almost the same allocation as Nandi District. Bungoma District received Kshs74 million, while Nandi District, which is almost similar in enrolment and so forth, received Kshs54 million. The number of enrolment in Bungoma District is slightly higher than that of Nandi District, and yet there is that marked difference. We should not try to skew the figures.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, today I have heard wonders of wonders. How does the geography of an area determine the number of textbooks to be given to the area? Do the mountains, rivers and valleys read the textbooks? The Minister says that Lugari District, got Kshs27 million, but compared to Kisii Central which has got a population ten times more than that of Lugari District, but only got Kshs24 million. Why does the Ministry allocate books based on factors other than enrolment?

Mr. Deputy Speaker: Order, Mr. Angwenyi! Ask a specific question! You cannot go on asking one question after another!

Mr. Angwenyi: Mr. Deputy Speaker, Sir, I would like the Minister to explain to this House why the distribution of this textbooks funding has been based on other factors than enrolment of students.

Mr. Kosgey: Mr. Deputy Speaker, Sir, enrolment of students is one factor. In fact, if I may just repeat the formula that we use, which came from the Central Bureau of Statistics, it reads:-

"The number of textbook allocation is the basic minimum; Kshs20,000, plus the school enrolment over the national enrolment, times the total net".

Mr. Deputy Speaker, Sir, basically, a school gets a minimum of Kshs20,000, plus the allocation for every child. This is a formula that we worked out with the statisticians. The geographical consideration is a serious point, and it should not be taken lightly. Before we adopted this formula, we wanted to make sure that we were very fair to every Kenyan child. If there is a programme that has really made an impact in our schools, particularly the primary schools, it is this textbooks programme.

Mr. Kiunjuri: Mr. Deputy Speaker, Sir, could the Minister explain to this House how he expects pupils in our schools to understand the content and interpret the material in those books without the assistance of teachers who are on strike?

Mr. Kosgey: Mr. Deputy Speaker, Sir, that is a different question. He is indirectly trying to ask a question with regard to the teachers' strike.

Mr. Keriri: Mr. Deputy Speaker, Sir, the Minister said that the Kshs20,000 basic allocation is a very important aspect before you go to the allocation per child. He did not go further to explain why it is important that regardless of how many children are enrolled, each school gets Kshs20,000.

Mr. Kosgey: Mr. Deputy Speaker, Sir, I did not quite say that the Kshs20,000 is important. I was explaining the formula and that is why I said it is important that we are fair to each and every child. The statisticians, in their wisdom, when they worked out the formula, said that if we gave less than Kshs20,000, it would be a drop in the sea. So, they arrived at the minimum plus the allocation per child, times the school enrolment divided by the national enrolment and so forth. That is how you arrive at the total allocation to each and every school.

Mr. Mwakiringo: Mr. Deputy Speaker, Sir, looking at these figures, Taita-Taveta District received about Kshs16 million, and yet Coast Province as a whole is one of the most dry parts of this country. Kwale District only received Kshs19 million; Malindi District, Kshs16 million; Tana River District, Kshs8 million and Lamu District, Kshs8 million, and yet the enrolment of students is as big as Bungoma and Kakamega districts. Could the Minister consider giving Coast Province more funding for textbooks during this financial year, because the criteria used is not in conformity with what he has indicated in this sheet?

Mr. Kosgey: Mr. Deputy Speaker, Sir, I think it is in conformity. It is not true that we have been unfair to Coast Province. If you look at the enrolment and the formula that we are using, it is fair to each and every district. As I explained earlier, that is one of the poverty---

(Mr. Kariuki entered the Chamber and proceeded to the Government side)

An hon. Member: You are lost! Come to this side!

Mr. Deputy Speaker: Order! Mr. Kariuki, proceed to your seat! Proceed, Mr. Kosgey!

(Loud consultations)

Mr. Kosgey: Mr. Deputy Speaker, Sir, as I said earlier, that is one of the poverty eradication measures that we want to ring-fence. That means that it will never be reduced but it will go up. I explained that we have a policy to make sure that, within the next five years, we will have achieved, at least, one textbook per three pupils in Class I to V in the core subjects, and from Standards VI to VIII, one textbook for every two pupils. We will achieve that through the allocations of this House and our development partners.

Mr. Shitanda: Mr. Deputy Speaker, Sir, this Minister has never been serious! He is talking about a formula which they use in allocating those funds. When you look at the case of Lugari and Kakamega, Kakamega is four times bigger than Lugari. What justification is there for Lugari to have more funding than Kakamega District, and yet he is talking about some formula from Central Bureau of Statistics or somewhere else? Could he tell us how that formula works?

Mr. Kosgey: Mr. Deputy Speaker, Sir, I am very serious! I explained that we have other factors that we take into account when calculating the amount of money allocated to each district. Some of them are poverty levels, availability of textbooks in the schools currently, and the enrolment. So, I am very serious!

Eng. Toro: Mr. Deputy Speaker, Sir, since the answer is not satisfactory, I think the Minister should undertake to go and re-examine that formula that he is talking about, which he, himself, does not understand! If that formula is as simple as the Minister is trying to explain, there is no justification for Lugari, which is in the same locality with Kakamega, and which used to be part of Kakamega District, to receive more money than Kakamega. What is the Minister going to do to introduce the School Equipment Scheme, so that equipment is provided from a central place, rather than giving Kshs20 million and Kshs17 million, using different formulae, so that each student is guaranteed of some basic textbooks and equipment in all public schools? Could he consider the re-introduction of the School Equipment Scheme?

Mr. Deputy Speaker: I think you had better be fair to the Minister. He has given you a formula. You must understand it before you interrogate it! So, he has discharged his responsibilities as a Minister!

Mr. Kosgey: Mr. Deputy Speaker, Sir, let me explain what I said. Our aim, and we will achieve it, is to provide one textbook in the core subjects for every three pupils in Standard I to V, and one textbook for every two pupils in the core subjects in Standard VI to VIII, and we will achieve that. Since 1999/2000, we have done it for two years and we will achieve that.

Mr. Khamasi: Mr. Deputy Speaker, Sir, there are many primary schools in Kakamega District, and I believe countrywide, which have never benefited from that programme at all! Not even one single textbook has gone to those primary schools. Could the Minister assure this House that the Ministry will do something to make sure that those schools which missed out will be considered during the next allocation?

Mr. Kosgey: Mr. Deputy Speaker, Sir, yes. In fact, we have been going back. For example, we covered Bungoma and Nandi districts this year. There are certain schools that were started and were not registered at the time the roll was taken. Next year, the schools that we did not cover in Bungoma - and they are very few; about 10 or so - will be picked out.

Mr. Deputy Speaker: Let us have Question No.462 for the second time!

Question No.462

PROVISION OF WATER TO MWATATE DIVISION

Mr. Mwalulu asked the Minister for Water Development what urgent measures he is taking to provide residents of Maktau, Mwatate Division, with water.

The Assistant Minister for Environment and Natural Resources (Mr. Noor): Mr. Speaker, Sir, I beg to reply.

(Mr. Maitha walked around in the Chamber)

Mr. Deputy Speaker: Order! Mr. Maitha, you are in the National Assembly and not in some Kaya Forest!

The Assistant Minister for Environment and Natural Resources (Mr. Nooru): Mr. Speaker, Sir, in addressing the water shortage facing the residents of Maktau in Mwatate Division, my Ministry has constructed the

Oza Dam with a capacity of 11,000 cubic metres and Ezerenyi, which has a carrying capacity of 8,000 cubic metres, at a cost of Kshs2.5 million and Kshs2 million, respectively. However, because of the inadequate rainfall in the area, the two dams are still dry at the moment, and the only reliable source of water for Mwatate is Mwanda Springs, which supplies only 100 cubic metres a day against a demand of 302 cubic metres per day.

Mr. Deputy Speaker, Sir, my Ministry has stationed an emergency water tanker, which has a carrying capacity of 16,000 cubic metres, with the Provincial Water Engineer, Coast Province, to address the issue of the dry areas as a cost-sharing process with the residents of the area.

Mr. Mwalulu: Mr. Deputy Speaker, Sir, I do not see why the Government is wasting so much money on the things they are calling dams. Taita-Taveta District, being at the foot of Mt. Kilimanjaro, is the best endowed in terms of water resources. Maktau is the best example of how the district has been deliberately denied that resource. Since 1992, there have been plans to pump Lake Chala water to solve, once and for all, the water problem not only in Taita-Taveta District, but the whole of Coast Province, including Kinango. Could the Assistant Minister tell this House what happened to those plans because I understand the Government of Israel was very ready to assist?

Mr. Nooru: Mr. Deputy Speaker, Sir, it is true that my Ministry carried out the plan study in 1998 to arrest the situation. However, the plan came out with results which require a project cost of Kshs254 million, which, as the economic situation is in the country, we cannot raise as a Ministry. In the year 2001/2002, we have allocated Kshs4.5 million for Taita-Taveta. In this financial year, we have allocated Kshs2 million. We have to do with what we have because we cannot be able to get the Kshs254 million as planned.

Mr. Mwakiringo: Mr. Deputy Speaker, Sir, Maktau is an old place where the military were stationed before Independence. Those people have been suffering for years, up to this moment. Water pans would not be sufficient because that is purely for animal water and not for human consumption. Could the Ministry consider rehabilitating the Mwanda Springs, so that it can meet the daily demand of those people? Secondly, could they consult the Ministry of Transport and Communications, to be provided with a water tank which can be ferried by the Kenya Railways as they go to Taveta? That was the best option, which had been used for years.

Mr. Nooru: Mr. Deputy Speaker, Sir, it is true that this is a very old water project. It was started way back in 1914. In 1948, the Kenya Railways Corporation upgraded it from one inch to two-and-half inch pipe. The latest studies which we have carried out show that the water capacity which can be supplied by the springs per day is 100 cubic metres. As I indicated earlier, the demand for water in those areas is 302 cubic metres per day. Therefore, we are really doing the best that we can to supply those residents with water. In future, we intend to supply them with water in phases because the cost of covering a distance of 50 kilometres with piping is very exorbitant.

Mr. Maitha: Mr. Deputy Speaker, Sir, when we attained Independence, the Government of Kenya had a popular slogan that by the year 2002, every Kenyan would be supplied with clean water. I would like to know from the Assistant Minister, apart from supplying the residents of Maktau with clean water, what plans does the Ministry have to provide water to people in Coast Province? We have been suffering for a long time. As reported in today's newspapers, the people of Ganze Constituency are dying because of lack water. Water passes through that constituency from Baricho to Mombasa. The Mzima Springs has failed and yet the Government was advanced some money. What became of the popular slogan by the Government of providing Kenyans with water by the year 2002? What plans does the Ministry have to provide water to people in the Coast Province?

Mr. Nooru: Mr. Deputy Speaker, Sir, the popular slogan was just a target we had set to provide water to our people. However, it had shortfalls because of the harsh economic conditions prevailing in the country today. We have to set up a new target for ourselves, when we can provide clean water to every homestead in this country. Maybe, we can provide them with water by the year 2020. However, the hon. Member is aware that the issue of water supply in this country has been solely left to the Ministry of Water Development. Recently, we passed a Water Bill in this House which will enable us to privatise provision of water in this country. I believe private investors will supplement whatever the Ministry is doing. As a Ministry, we only come in where we realise there is a big investment through the National Water and Pipeline Corporation (NWPC) so that we can assist the communities to manage their water.

Mr. Badawy: Mr. Deputy Speaker, Sir, even with what I consider to be an intangible target of the Ministry to avail water to wananchi by the year 2002, does the Assistant Minister realise that water is unaffordable to quite a number of wananchi except for consumers in towns and cities? What plans does the Ministry have to make water affordable to wananchi?

Mr. Nooru: Mr. Deputy Speaker, Sir, it is not the first time we are hearing that water is not affordable. The most crucial thing is that water is a very scarce resource. The demand is increasing while the source is diminishing. There is need to address other sources like ground water. Given the climatic situation in most parts of our country today, obviously, we cannot meet the demands of Kenyans 100 per cent. We are trying to use water bowsers to supplement our supply until there is rain in the dry areas. That is the only way we can attend to emergency situations.

Mr. Mwalulu: Mr. Deputy Speaker, Sir, we know this Government has never been serious about improving the welfare of Kenyans. But since it is on its way out, can it be a bit serious this time round? It is an insult that after 40 years of Independence, we are still talking about supplying water to our people using tanks. The people of Maktau like the rest in Taita-Taveta district do not just need water to drink. This pumping of Lake Chala water is a long-term solution. The short term solution is this, and the Assistant Minister should listen carefully. There is a farm called Gicheha which monopolises two rivers. It is situated just a few kilometres from Maktau. Could the Assistant Minister ensure that this water is shared between that farm and the surrounding communities? This water can be piped, or a canal can be dug up so that those people can share this water.

Mr. Nooru: Mr. Deputy Speaker, Sir, tapping the water that the hon. Member is saying is not a difficult task to do because of our human technology, but the issue is the scarcity of resources. As I said earlier, we have allocated Kshs2 million to Taita-Taveta District for provision of water. It is incumbent upon the DDC to give us their priority. If the Kshs2 million is not enough to enhance and tap that water, then we shall ask the Government to allocate more funds to Taita Taveta District.

Mr. Deputy Speaker: Mr. Noor, as a matter of interest, what percentage of the original project for this drinking water and sanitation have you implemented?

Mr. Nooru: Mr. Deputy Speaker, Sir, we do not have the statistics countrywide. The issue of sanitation has never been given a priority in the past.

Hon. Member: What percentage?

Mr. Nooru: Mr. Deputy Speaker, Sir, I do not have that figure rightaway. Maybe, I can supply it later.

Mr. Deputy Speaker: Next Question, Dr. Murungaru.

Dr. Murungaru: Mr. Deputy Speaker, Sir, I profusely apologise for coming late. However, I beg to ask Question No.323.

Question No.323

REMITTANCE OF ROAD MAINTENANCE
FUNDS TO NYERI

Dr. Murungaru asked the Minister for Roads and Public Works:-

(a) how much money was remitted by the Ministry to each of the six constituencies in Nyeri for road maintenance in accordance with the Kenya Roads Board Act; and,

(b) how much was due to each constituency and when does he plan to make good any shortfall that may exist.

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

(a) My Ministry has remitted a total of Kshs33 million to Nyeri District for road maintenance during the financial year 2001/2002. The breakdown for each constituency is as follows: Tetu received Kshs5.5 million; Kieni, Kshs5.5 million; Mathira, Kshs5.5 million; Othaya, Kshs5.5 million; Mukurweini, Kshs5.5 million, and Nyeri Town Kshs5.5 million.

(b) The amount due to each constituency in Nyeri district was as follows: Tetu received Kshs5.5 million; Kieni, Kshs5.5 million; Mathira, Kshs5.5 million; Othaya, Kshs5.5 million; Mukurweini, Kshs5.5 million, and Nyeri Town Kshs5.5 million.

All funds due each to constituency were disbursed. Therefore, there are no plans to make good any shortfall because there was no shortfall.

Dr. Murungaru: Mr. Deputy Speaker, Sir, this Question was deferred in the previous Session because the Minister failed to tell the House what happened to the 24 per cent of the funds that were due to Nyeri District and, indeed, to all districts in the country. The Minister was directed by the Chair to lay on the Table of this House a list of the schedule of disbursement of the 24 per cent which is due to each district, as opposed to the 16 per cent which he has shown us here, which is due to constituencies. Could the Assistant Minister provide that schedule of 24 per cent?

Eng. Rotich: Mr. Deputy Speaker, Sir, the question before the House is about the disbursement of 24 per cent of the money to Nyeri District. The 24 per cent of the Fuel Levy money was not disbursed to the districts because when we changed over from the old system to the new one, we had commitments. We hope to disburse the money to 28 districts which were not covered by the projects which we had. So, the districts which were not covered by the contracted---

Dr. Murungaru: On a point of order, Mr. Deputy Speaker, Sir. I have just informed the House that I asked

this Question and it was answered in this House. The Chair directed the Assistant Minister to provide information on how the 24 per cent of the Fuel Levy Fund collected by the Kenya Roads Board has been spent on each district. Could the Assistant Minister give that precise information? He is avoiding to answer the Question.

Eng. Rotich: Mr. Deputy Speaker, Sir, the 24 per cent of the Fuel Levy money was not disbursed to the districts. That is what I said. This year, the districts which were not covered by those projects which were contracted will be given the 24 per cent of the money. We have discussed this matter even with the Departmental Committee on Energy, Communications and Public Works, and agreed.

Eng. Toro: Mr. Deputy Speaker, Sir, the Assistant Minister should not avoid to answer the specific question that made this Question to be deferred. He has talked about 28 districts which will be considered, and yet he has not even bothered to give the names. He should also tell this House why he will not consider the other districts which will be left out because they received a lot on-going projects. For example, in Maragwa District, we did not have an on-going project. The Assistant Minister should explain why this District cannot get 24 per cent of the money this year, last year, and the previous year. There were no on-going projects in this district, and yet he is unable to tell us why we cannot get money.

Eng. Rotich: Mr. Deputy Speaker, Sir, I do not know where my colleague gets the notion that Maragwa District will not get the money. My colleague is a member of the Departmental Committee on Energy, Communications and Public Works, and he has the information which we gave the Committee.

Mr. Sambu: Mr. Deputy Speaker, Sir, the Assistant Minister has stated that there are 28 districts which will benefit from this money. We do not know those districts. Could he specifically table the list of those districts so that we can know which district has received the 24 per cent of the money, and which one has not? In Nandi District, we have not received the 24 per cent, and yet we have no on-going projects. Could the Assistant Minister table the list?

Eng. Rotich: Mr. Deputy Speaker, Sir, I can table the list of the 28 districts tomorrow. There is no problem with that. But I am talking about the districts which did not benefit from the on-going projects.

Mr. Thirikwa: Mr. Deputy Speaker, Sir, could the Assistant Minister tell the House where the 24 per cent of the money went if it was not sent to the respective districts? Where is the money? Who used the money, or where is it, if it was not disbursed to the respective districts?

Eng. Rotich: Mr. Deputy Speaker, Sir, there was an on-going system before the new one came into place. It does not help when you start one morning---

Mr. Deputy Speaker: Order! Mr. Assistant Minister, the law started one morning! From that morning, the law had to be obeyed.

Eng. Rotich: Mr. Deputy Speaker, Sir, I agree, but if we had contractual commitments, what should we have done with them?

Mr. Deputy Speaker: No, you were supposed to go to the Treasury and ask for additional funding! You do not take somebody else's money and say that you did not have money. Ask for more money from the Treasury.

Eng. Rotich: These commitments were undertaken under the Fuel Levy Fund and it was difficult to say "stop this" and "put it there".

Mr. Deputy Speaker: Order, Mr. Assistant Minister! Really, that is an accounting issue; book-keeping. The law required you on a certain date to furnish to all the constituencies so much money. That was the law! The law did not say that if you had not paid some debts, you should not disburse the money. The law said that you disburse the money from such and such a date. So, produce that list.

Mr. Ndicho: On a point of order, Mr. Deputy Speaker, Sir. I would like to help the Chair and this House. Would I be in order to inform the House that I belong to the Committee on Energy, Communications and Public Works, and its purpose---

Mr. Deputy Speaker: Order! Order! So, do Eng. Toro and Sambu!

Mr. Mutahi: Mr. Deputy Speaker, Sir, this question is about the 24 per cent of the money which was to be disbursed to the districts. Which commitments did Nyeri District have to bar it from getting the 24 per cent of the money? Which roads had been committed in Nyeri District so that it could not get the 24 per cent of the money?

Eng. Rotich: Mr. Deputy Speaker, Sir, it is not only Nyeri District which did not receive the money, but all the districts.

Mr. Deputy Speaker: Mr. Kitonga's Question for the second time!

Question No.459

PROVISION OF AMBULANCE TO MUTITO HEALTH CENTRE

Mr. Deputy Speaker: Is Mr. Kitonga not here? His Question is dropped!

(Question dropped)

QUESTION BY PRIVATE NOTICE

Mr. Ndicho: Mr. Deputy Speaker, Sir, I have agreed with the Minister that--

Hon. Members: Ask your Question first!

Mr. Ndicho: Mr. Deputy Speaker, Sir, could you protect me from these people!

Mr. Deputy Speaker: Ask your Question first! That is why I called out your name!

Mr. Ndicho: Mr. Deputy Speaker, Sir, I want to say what I have agreed with the Minister.

Mr. Deputy Speaker: You have agreed as who? This Question now belongs to the House! Ask your Question!

ILLEGAL ALLOCATION OF THIKA CEMETERY

Mr. Ndicho: Mr. Speaker, Sir, I beg to ask the Minister for Local Government the following Question by Private Notice.

(a) Is the Minister aware that a councillor, Philip Muonki of Thika Municipal Council, has been allocated the Kiandutu Cemetery where he erected beacons recently?

(b) Is he further aware that this is the only cemetery remaining in Thika Town as the other one is full?

(c) Could he revoke the allocation?

Hon. Members: Bw. Uhuru, tuambie!

The Assistant Minister for Local Government (Mr. Kiangoi): Mr. Deputy Speaker, Sir, I request you to restrain the hon. Members on the other side of the House who are murmuring things which cannot be entertained in the House.

I beg to reply.

(a) I am not aware that a councillor called Philip Muonki of Thika Municipal Council has been allocated the Kiandutu Cemetery where he erected beacons last week.

(b) I am aware that this is the only cemetery remaining in Thika Town because the other one is full.

(c) Arising from the answer in part "a" above, the issue does not arise.

Mr. Ndicho: Mr. Deputy Speaker, Sir, I am surprised that the Assistant Minister has accepted to answer this Question, having agreed with him that the Chair defers it so that I can bring to him the documents which show---

Mr. Deputy Speaker: You can bring those documents without the Question being affected!

Mr. Ndicho: Mr. Deputy Speaker, Sir, there was a serious issue in Thika Town today. A crowd from Kiandutu had assembled in their cemetery, where somebody went with a grader last week on Friday and started grading the remaining part of the cemetery. Part of the cemetery is intact. I informed the Minister that the allotment letter he has right now is the one where a councillor from Thika Municipal Council went and "cut" the cemetery into two---

Mr. Deputy Speaker: What did he "cut" it with?

Mr. Ndicho: Through the Physical Planning Department, and divided it into two; where the graves are has been left intact, and it is full. The remaining part, which the councillor has taken, is not full and we are wondering what will happen. I was trying to bring to the Assistant Minister the development plan of that area to show him the area covered by the cemetery. Now that he has said he is not aware, and I have shown him the allotment document and what has been hived off from the cemetery, could he make sure that, that allotment is cancelled and the cemetery is reserved for public use?

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

Mr. Deputy Speaker: You are raising a point of order to who?

Mr. Munyao: To the Chair, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order! Order! There cannot be a point of order to the Chair arising from an hon. Member's question.

Mr. Munyao: But there is, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: No, there is not! Proceed, Mr. Assistant Minister.

Mr. Kiangoi: Mr. Deputy Speaker, Sir, I agreed to answer the question because you directed hon. Ndicho to

ask the Question and he stood his ground. Therefore, I was bound to answer it. I have not done anything wrong in answering the Question.

Mr. Deputy Speaker, let me say this: Kiandutu Cemetery has got some land reserved for its functions. I have shown the hon. Member the place reserved for Kiandutu Cemetery. The fact that the adjacent land was allocated - in fact, it had not been allocated up to yesterday - in 1994, it does not mean that it is part of Kiandutu Cemetery. I have shown him the partial development plan, and even if the whole of Thika Town was a cemetery, there will always be adjacent land. We cannot reserve all the adjacent land to cemeteries for purposes of expansion. So, I insist that I have shown hon. Ndicho the partial development plan, and it shows very clearly that the land which was allocated is adjacent to the cemetery and the cemetery land is intact.

Mr. Murathe: Mr. Deputy Speaker, Sir, I think the Assistant Minister is basing his answer on false information, because the reality on the ground--- What the hon. Member is asking for is the original plan before the PDP was hived off - from part of the cemetery - so that it now becomes adjacent to the cemetery. Is it possible for the Assistant Minister to allow the hon. Member to produce the development plan that had beacons for the cemetery before the grabbers hived off what we are now calling adjacent land?

Mr. Kiangoi: Mr. Deputy Speaker, Sir, nothing prevents the hon. Member from showing me any documents. But the partial development plan which I have shown him discloses that the land is not part of the cemetery. That is important and let us not misconstrue that the land was allocated yesterday; it was allocated in 1994!

Mr. Maitha: Mr. Deputy Speaker, Sir, as the Chair can see, the Ministry of Local Government, which is in charge of Local Authority land, has had a deficiency by protecting land grabbers. This has spoiled the good face of the Ministry of Local Government. The Assistant Minister who is answering this question should know that the Minister in charge of the Ministry is the one who is seeking the Presidency of this country, and he should protect him, instead of spoiling his name.

The Member of Parliament---

Mr. Deputy Speaker: Ask your question!

Mr. Maitha: Mr. Deputy Speaker, Sir, the hon. Questioner is insisting that the Assistant Minister should accept that the hon. Member brings the original plan of that area to protect the land which has been grabbed. Is the Assistant Minister insisting that he can allow the hon. Member to table the original plan?

Mr. Deputy Speaker: Order! Order, hon. Maitha! There is nothing under the sun that stops the hon. Member from bringing documents for purposes of proving his case! He does not have to get the Assistant Minister's permission; he has to get the Chair's permission.

You have gone on a speech-making spree!

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

Mr. Deputy Speaker: No, no! Order! Proceed, hon. Ndicho!

Mr. Ndicho: Mr. Deputy Speaker, Sir, the purpose of bringing this issue to this House - the National Assembly of the Republic of Kenya - is to seek the intervention of Parliament so that with the authority this House has over all the issues in this country, public property can be safeguarded.

Mr. Deputy Speaker: No one in the House, nor the Chair is interested in lectures. Just say what you want done!

Mr. Ndicho: I am seeking the indulgence of this august House, that it allows me to bring, even if it means bringing it tomorrow, the original development plan for Thika Town, which shows that the whole of that area is reserved for cemetery and what the Assistant Minister has is what the Physical Planning Department hived out of the original development plan. In that case, could I ask that the Question be deferred to tomorrow, so that I bring that document?

Mr. Deputy Speaker: Really, I think the hon. Member has a legitimate interest in not only local authority land, but land in his constituency, if there is a dispute. It is in the interest of this House to get the correct information.

So, Mr. Assistant Minister, if there was a development plan prior to the one you are holding, that indicated or supports what the hon. Member is asking, this House is entitled to know, so that it can also appreciate what the position is on the ground. So, I am going to defer this Question so that you can bring both sets of the PDP. The hon. Member can bring his documents merely to confirm what you have or to contradict you, but the onus of bringing accurate information to this House lies on you. Therefore, this Question is deferred until Tuesday next week!

Mr. Kiangoi: Mr. Deputy Speaker, Sir, may I say something in agreement with the Chair?

Mr. Deputy Speaker: Yes, do so, but only in agreement with me.

Mr. Kiangoi: Mr. Deputy Speaker, Sir, indeed, that is what we were trying to do initially with the hon. Member. I only said that he did not know how to present his case so that he could be heard. But what the other hon. Member said is irrelevant for the purposes of these proceedings.

Mr. Deputy Speaker: Order! Order, Mr. Assistant Minister! I did not give you permission to vary my order or to qualify it!

Hon. Members: Sit down! Sit down! You are boring this House!

Mr. Deputy Speaker: Order! What is happening with you, hon. Members?

An hon. Member: We are excited!

Mr. Deputy Speaker: End of Question Time. I defer this Question to Tuesday, next week.

(Question deferred)

Next Order!

POINT OF ORDER

CONSTRUCTION OF MATARA TEA FACTORY

Mr. Muiruri: On a point of order, Mr. Deputy Speaker, Sir. On the 11th April this year, I raised a very important matter concerning the construction of a tea factory in my constituency, with regard to Question No.160. In answering the Question, the Assistant Minister, Mr. Sumbeiywo, promised to table some documents. It was about the agreement between KTDA and a French Company called Komaco(?) and Matara Tea Factory, so that farmers could know the amount of money involved; when the construction would be completed, and finally, the amount of money they would end up paying. He also promised to produce documents on the agreements between the KTDA, M/s Electro and the main contractor. He further promised to table documents concerning the purchase of the land, which measures 23 acres, and which cost the farmers Kshs13 million. The Minister made that undertaking on 11th April, 2002. Over and over again, the Minister has promised to lay the documents on the Table. Today is 2nd October, 2002, but he has not produced the documents.

So, I seek your guidance on the matter. What am I supposed to do? I can see that the Deputy Leader of Government Business is here. What happens when your orders are defied? You had ruled that the documents should be tabled, but that has not happened. What is the House supposed to do in the circumstances?

Mr. Deputy Speaker: Mr. Muiruri, specifically, what is your point of order?

Mr. Muiruri: Mr. Deputy Speaker, Sir, I am seeking your guidance over the matter, because I have had enough of false promises from the both the Minister and his Assistant Minister.

Mr. Deputy Speaker: Mr. Leader of Government Business, could you explain what is happening?

The Minister for Transport and Communications (Mr. Mudavadi): Mr. Deputy Speaker, Sir, I will get the Minister for Agriculture to comprehensively respond to the issues raised by Mr. Muiruri on Tuesday.

Mr. Deputy Speaker: Mr. Minister, it seems to me that there are some hon. Members in this House who do not seriously take their own words given to the House through the Chair. On many occasions, Mr. Speaker and I have asked hon. Members to take this House seriously. Clearly, if a promise is made more than three times on an audit issue, I do not think there is anywhere in the world where you can say that, that House is being taken seriously. So, Mr. Leader of Government, this happens to be an issue which arose from within this House. The Chair's powers to dish out summary punishment are limited. However, I would like you to convey to your colleague that if he does not bring that information on Tuesday, the Chair will have no alternative but invoke certain Standing Orders which allow the House to inquire into the behaviour of hon. Members, particularly their behaviour inside this House.

Let us proceed to the next Order.

(Applause)

MOTIONS

SESSIONAL PAPER ON NON-PERFORMING LOANS

THAT, in view of the huge debts and financial difficulties faced by all coffee societies in Kenya, which have a large debt portfolio, this House urges the Government, as part of its poverty eradication programme, to introduce a Sessional Paper to provide for the writing off of non-performing Government loans in order to enhance coffee farmers' incomes and assist in the revival and growth of the coffee industry.

(Mr. Kihoro on 7.8.2002)

(Resumption of Debate interrupted on 7.8.2002)

Mr. Deputy Speaker: Mr. Michuki, you were on the Floor when debate on this Motion was interrupted. You have eight minutes.

Mr. Michuki: Mr. Deputy Speaker, Sir, thank you very much for being very alert and giving me the opportunity to continue with my contribution to the Motion.

When I last spoke on this Motion, I was addressing the issue of STABEX funds. I was saying that foreigners in Europe met in order to assist the coffee farmer in Kenya; they gave free of charge, Kshs8 billion to the Government, which was supposed to be passed on to the farmer, in order to support and stabilise the income they used to get from coffee after prices of the produce in the world market had fallen. I was trying to stress the fact that if foreigners could recognise the problem the Kenya coffee farmer is facing, surely, the Government of the Republic of Kenya must be even more sympathetic to the coffee farmer. It is, therefore, important that this Motion is passed, acted upon, and the farmer is relieved from this burden which, obviously, he cannot continue to carry because he has no income at all.

Currently, coffee farmers cannot even meet their expenses. During the last two coffee auctions, the average price has been US\$1.5 per kilogramme of coffee beans, which is just enough for the farmer to produce that one kilogramme of the produce. There are no other alternatives to enable the farmer to earn income. The Kenya Co-operative Creameries (KCC) collapsed; it is no longer helping the farmer. The Kenya Meat Commission (KMC) and the Agricultural Finance Corporation are no longer there. The farmer has been left to the vagaries of a Government that does not care.

About 80 per cent of this country's population depends on agriculture. Surely, if the KANU Government wants to be voted in by farmers, it must do something about the farmers' plight; otherwise, we will urge the farmers to join us. Indeed, they have joined us in throwing out this Government which does not care at all about the largest segment of the population of this country. I am a coffee farmer. The only reason as to why I continue growing coffee is because I am hopeful that a new Government, which will come in next year, will alter the course of income generating activities of the coffee farmer. Therefore, we are waiting with anxiety. We hope that the Rainbow Alliance will join the rest of the forces in the country to oust from power this Government, which has been very stubborn in all matters.

In the education sector, teachers are now on strike because the Government is unable to fulfil an obligation it undertook by law and pay the teachers what is due to them. If we examine many sectors, we will notice a lot of failure on the part of the Government. The current Government has failed to meet obligations that ought to emanate from a Government worth its name. Therefore, I want to join the rest of the farmers in petitioning the Government to look into their plight. I would like to thank the Mover of this Motion, Mr. Kihoro, for capturing the feeling of the farming community in Kenya.

It is no wonder that farmers have no interest in the agricultural shows that take place in the country, be it that which takes place at Kabirui-ini Showground in Nyeri, or that which takes place in Nairobi, because they are purely shows and nothing else. They are no longer a source of inspiration. Who is going to be inspired because he has seen good coffee displayed at the showground in Nairobi when, in fact, the Government does not care thereafter? Agricultural shows have become a sort of a circus; they are jokes. What are we going to show when we have neglected livestock? Milk gets wasted in many places. The income that the farmer used to generate from the sale of milk is no longer there. The income that was being earned from coffee is no longer there. I do not know why we must only assist the maize grower in particular. The Government announced that it was paying Kshs0.2 billion to the maize growers. Why can it not do so to coffee, livestock and other farmers? In fact, if you look at the agricultural sector, you will find that the Government has no policy on it. This is confirmed by the meagre allocation to the agricultural sector in Budgets, year after year.

Mr. Deputy Speaker, Sir, we are asking farmers throughout the country to abandon the cruel KANU Government and join the forces of change, so that they can enjoy better facilities and incomes, which will be provided by the new coalition Government. With these few remarks, I beg to support the Motion.

The Minister for Finance (Mr. Obure): Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity. First of all, I want to say that I am aware of the concerns that have been expressed in this debate. I would like to make it very clear from the onset that I am personally very sympathetic to the plight of the small-scale coffee farmer, who is faced with severe hardships as a result of the sharp downturn in the coffee industry.

In order to more advance the spirit of this Motion, I am proposing an amendment as follows. All the words appearing immediately after the word "programme" on the third line be deleted, and in their place the following words be inserted:-

"To expedite through the on-going Parastatal Investment Reform Programme the restructuring of the Government loans to the coffee sector and introduce a Sessional Paper to provide for write-off of non-performing Government loans, so as to assist in the revival and growth of the coffee industry and enhance coffee farmers incomes".

Therefore, the entire Motion should now read as follows:-

THAT, in view of the huge debts and financial difficulties faced by all the coffee societies in Kenya, which have a large debt portfolio, this House urges the Government, as part of its poverty eradication programme, to expedite, through the on-going Parastatal Investments Reform Programme, the restructuring of the Government loans to the coffee sect and introduce a Sessional Paper to provide for write off of non-performing Government loans, so as to assist in the revival and growth of the coffee industry and enhance coffee farmer's incomes.

Mr. Deputy Speaker, Sir, I believe the time is now when some action must be taken to assist coffee farmers who have suffered immensely. However, we must be very careful about any proposal for write-offs of public funds. Indeed, any write-off means that the Government must raise an equivalent amount of funds from the taxpayer to make good what we have proposed to write-off. Therefore, there must be adequate justification in any such action. It is also important to establish the cause of the poor state of the coffee industry, so that even after the loans are written off, we do not repeat the same mistakes that have led to this situation.

The assistance which has been given to the coffee industry in the past has come partly from the Government directly, and partly from our development partners, in particular, the World Bank and the European Union. The reason why I have proposed this amendment is that in some of the agreements that have made it possible for us to receive those funds, there are specific provisions which provide that no write-off should be entertained after the funds have been advanced. However, in order to overcome that, I believe we could be able to assist the coffee farmer using the on-going Parastatal Investment Reform programme, which is supported by the World Bank and other development partners. I believe that it is possible to make a strong case, after this amendment has been incorporated into the Motion, to make it possible for these write-offs to be facilitated.

As I said, it is important in discussing this issue, to understand why coffee farmers were unable to service their loans. We should establish, indeed, the cause of failure and the reason why the industry is in such a poor state. We must put on record some of the factors that led to the poor state of the coffee industry. One of them is the mismanagement of coffee societies and unions. They were poorly managed. Loans were advanced to people who were not even members of those societies and unions. In a number of cases, there was overstocking of stores with dead stocks, and this was very costly to the farmers. In a number of cases, employees of the coffee societies and unions advanced loans to themselves, which were intended to be advanced to the farmers. In a number of cases, there was very poor record maintenance, such that you could not even trace who had received the loans, and who had not. As a result, even those who did not receive loans were made to pay because their society had an obligation to repay the loans.

Mr. Deputy Speaker, Sir, there was dishonesty in a number of cases where loans were advanced to societies which did not even exist. A number of other instances have also been established where recoveries have been impossible because societies have either wound up, or have been subdivided and, therefore, the smaller societies that emerged from those subdivisions refused to accept responsibility for the loans they had taken when they were part of larger societies. However, the most critical one and which we must acknowledge in this House, is the sharp decline in the world coffee prices. We all know that at present, coffee prices are at their lowest in 32 years. This has made it practically impossible for any coffee farmer to break even. As you will see, right now, even at the Nairobi Auction, a 50-kilogramme coffee bag retails at the rate of about US\$85 to US\$86 when, in fact, the actual production cost of a 50 kilogramme coffee bag is approximately US\$90. In those circumstances---

Mr. Mwenje: On a point of order, Mr. Deputy Speaker, Sir. With due respect to my friend the Minister, I think that he is breaking Standing Orders No.41 and No.48(2). Standing Order No.41 states:-

"Mr. Speaker may permit a Member to move an amended form of Motion of which notice has been given if, in the opinion of Mr. Speaker, the amendment does not materially alter any principle embodied in the Motion of which notice has been given."

Also reading it with Standing Order No.48(2), you will realise that the Minister is bringing a completely negative matter. Standing Order No.48(2) states:-

"No amendment shall be permitted if in the opinion of Mr. Speaker it represents a direct negative of the question proposed."

Mr. Deputy Speaker, Sir, the Question which has been already proposed here---

Mr. Deputy Speaker: Which opinion are you expressing?

Mr. Mwenje: Mr. Deputy Speaker, Sir, that is what I am trying to guide you on, to understand the Standing

Orders, so that you can make your ruling. The final ruling is certainly yours. However, what I find here is that the question seeks to have the amount owed by the co-operatives waived but what the Minister is talking of is completely negative. He is talking about parastatal reforms which are completely different from what is proposed here.

Mr. Deputy Speaker, Sir, we need you to guide us as far as these Standing Orders are concerned.

Mr. Deputy Speaker: Order, Mr. Mwenje! I have already approved the proposed amendment and signed it. So, the Minister is in order. However, more importantly, if you look at his proposed amendment, he is talking about waiving Government loans to the coffee industry which is the same thrust as what the Mover wanted. What is the Minister's point? That there are certain loans, for example, World Bank loans of which he cannot authorise the waiver but he wants to persuade you to agree with him that he should produce a Sessional Paper to waive those loans which he has authority to waive and he is merely moving an amendment. It has not been seconded. So, it is, strictly speaking, not a Motion yet.

The Minister for Finance (Mr. Obure): Thank you very much, Mr. Deputy Speaker, Sir, for that clarification. I want to persuade my friend, the hon. Member for Embakasi, that what I am merely trying to do is to facilitate the spirit of this Motion and to make it possible for the implementation of the Motion if it is ultimately approved in this House.

Mr. Deputy Speaker, Sir, I have been talking about the coffee industry at large and I am saying that in my opinion, the time is now, when we must really intervene to assist the coffee farmers.

Mr. Michuki: On a point of order, Mr. Deputy Speaker, Sir. My point of order, although it has been raised under Standing Order No.48, is that I wanted to be more specific regarding Standing Order No.41, where materially, the Minister is changing the import of this Motion. This Motion is specific to the coffee industry. It is specific in the sub-sector. It is not a part of the general approach to problems in agriculture. Therefore, when the Minister lifts this concept out of the Motion and makes it a general problem within the parastatal situation, he is materially altering the substance of the Motion, given that we are talking about something specific. It is not general in the way that he has put it. There is danger here, in that the Sessional Papers the Minister has brought to this House about Agricultural Finance Corporation (AFC) and World Bank loans, are completely different in the sense that in some committees they have been rejected. That has been done on the grounds that those involved are very big people and have the means to repay the loans, whereas in agriculture, there is no income.

Mr. Deputy Speaker: Order, Mr. Michuki! We must understand what we are talking about. What is the sting of this Motion? To introduce a Sessional Paper to provide for the writing off of non-performing Government loans in order to enhance coffee farmers' incomes and assist in the revival and growth of the coffee industry. That is what the Motion seeks and what does the Minister's amendment seek? As part of its poverty eradication programme to expedite through an ongoing parastatal investments reform programme, the restructuring of the Government loans to the coffee sector and introduce a Sessional Paper to provide for the write off of non-performing Government loans, so as to assist in the revival and growth of the coffee industry and enhance coffee farmers' incomes. That is the same story!

Hon. Members: It negates the sting of the Motion!

Mr. Deputy Speaker: Order! It does not negate the sting of the Motion!

Proceed!

The Minister for Finance (Mr. Obure): Mr. Deputy Speaker, Sir, I think hon. Michuki's problem is really one of suspicion. He does not read good intentions in what I am trying to do. I want to make it very clear that a lot of the loans that the Government has provided to the coffee industry are indeed loans which have been advanced to the Government by the World Bank and other donors. Some of those agreements contain specific provisions which do not omit the write-off of those loans.

Mr. Deputy Speaker, Sir, the reason I am making this amendment, is so that we can consider a write-off of those loans as part of the ongoing parastatal investment reform programme which is indeed supported by the World Bank and other donors. That is the only way, in my opinion, through which we can effectively implement the spirit of this Motion. I have said before, I think that it is now time to intervene in the coffee industry if we are going to be serious with the question of poverty, particularly in the rural areas where coffee is dominant. I am trying to make this amendment to make that intervention possible.

Mr. Deputy Speaker, Sir, really, I do not think that we are at variance in any way, with the Mover of this Motion and all I am trying to do is to make it possible for the Government and all of us to implement the spirit of this Motion, which I think is a very good Motion.

So, I want to conclude that, really, I am in support of this Motion after those amendments have been incorporated and, therefore, I wish to move the amendment.

Mr. Murathe: Thank you, Mr. Deputy Speaker, Sir. I wish to second the amendment by the Minister in line with the spirit of the Motion.

Mr. Deputy Speaker, Sir, it appears that some people here do not understand the issues that are being raised by the Minister.

(loud consultations)

Mr. Deputy Speaker: Order! Order!

Mr. Murathe: Some of these debts that the Mover of the Motion is referring to are World Bank loans. The Government can write-off Government loans, but it cannot write-off IMF, STABEX or World Bank loans. The Second Coffee Improvement Project I (SCIP) is a World Bank facility. Unless you incorporate it in the Parastatal Reform Programme, which the World Bank accepts to support, then it is not possible. The Government component of this loan is quite insignificant. But people are talking politics here when the Minister is trying to facilitate full implementation in line with the spirit of the Motion. SCIP I is a World Bank facility. SCIP II is a World Bank facility and STABEX is a EU facility. I wonder whether these people are aware that there is no Government component in these loans. It is not there. So, when the Minister moves this amendment it is desirable for us to debate it in line with that amendment so that once this House passes this Motion in that form, it will be possible for him to take the case to the donors, the World Bank and the European Union (EU). He will present the case and say, "These are the concerns of the hon. Members of Parliament and the coffee farmers. Please, allow us to write-off these facilities". We have the example of SCIP I which the Co-operative Bank of Kenya was charging 15 per cent. The Co-operative Bank of Kenya was earning 7 per cent in turn because it was supposed to be a revolving fund. The Government was earning 8 per cent on free money. Now, for the STABEX funds facility, the Co-operative Bank of Kenya is earning 3 per cent while 2 per cent is maintained in the account. It is possible, if we go along with the suggestion by the Minister, to harmonize the interest of the facility of advances to the coffee farmers.

Mr. Deputy Speaker, Sir, having said that, I do not know whether it would be possible to make my contribution now, or I can do it later. I am just seconding the amendment.

Mr. Deputy Speaker: Order! You can contribute to an amendment and also on the new Motion.

Mr. Murathe: In line with the new Motion, Mr. Deputy Speaker, Sir, we would like to support the Mover of this Motion. I came from London yesterday---

Mr. Michuki: On a point of order, Mr. Deputy Speaker, Sir. While issues of delay in specific action are being raised, is it in order that we should make this Motion general when, in fact, we dealt with the Kenya Meat Commission (KMC), and the Agricultural Finance Corporation (AFC) as a separate issue? Is it in order that the Minister should give the impression that this is the only item that can be generalised?

Mr. Deputy Speaker: Order! Order! The Minister did not move the Motion. He only proposed to amend a Motion moved by the Mover and before it is seconded, it is not before us properly. So, I must allow Mr. Murathe to finish his contribution and then I will propose the Question.

Proceed!

Mr. Murathe: Mr. Deputy Speaker, Sir, I am a member of the Committee on Agriculture, Lands and Natural Resources. I came from London yesterday after attending the International Coffee Organization (ICO) meeting on the issues affecting coffee farmers. The issues affecting coffee farmers today are about price. The issues about price are also about quality. In order that people may address the issue of quality, one of the fundamentals is to write-off the debts hanging over the shoulders of the coffee farmers. One of the other issues of enhancing quality is about input financing. The other issue about quality is supporting the primary and secondary processing capacities of our proper stations and co-operative societies. One of the ways to achieve this is to ensure that this burden of debts is removed from their shoulders.

Mr. Deputy Speaker, Sir, when the Minister for Finance accepts, in principle, the spirit of the Motion and he is bringing in the mechanisms and modalities about how this is going to be achieved, and there are people who are suspicious, that actually bothers me. We are all in agreement that the coffee farmers debt has to be tackled and that it is not repayable, and that coffee farming is no longer sustainable as long as these debts are choking that coffee farmer. Resolution No.407 of the ICO which was passed on Monday, effective yesterday, 1st October, 2002, read that all poor quality coffee has to be removed from the market. Currently, there is an over-supply of coffee. There is a glut of poor quality coffee going into the market affecting prices. The way to move that, because Kenya has no problem with quality--- It is only now having problems of quality because farmers are no longer capable of looking after their coffee properly. There are no farm inputs and they are not spraying their coffee. They are not able even to finance picking and most of it is even going to waste in the stores. If we are going to tackle the issue, certainly, it must be possible for the bilateral and multilateral organizations to accept to write-off these loans. It is not a simple matter of just coming here to Parliament and asking the Minister to write-off debts owed by co-operative societies. Whose money is that? The Government component in these loans and the debt portfolio is something like 5 per cent or 10 per cent. Most of

this money is World Bank and IMF money. That is why I accept the approach that the Minister is taking. I know we have a very short time. We also know that a similar Sessional Paper had been introduced in this House and it was later withdrawn by the former Head of the Civil Service, Dr. Richard Leakey. The reasons for the delay were valid. They are still valid. Even in terms of the AFC facilities, we have agreed as a Committee that there would not be a blanket write-off of these debts. We are not going to encourage people to borrow money thinking that somewhere along the line, there will be a write-off. There must be reasons to justify, for example, the harsh global economic realities about the coffee sector, the realities of the rip-offs of the banks and the issues of mismanagement. We know, for example, that when the Co-operative Bank of Kenya gives these societies advances at the SCIP or STABEX rates and the farmers are not able to realise returns out of their produce, they convert these facilities into commercial rates. Once they do that, they are accumulated up to the tune of 66 per cent. These societies can never ever hope to repay these monies. That is why we are through, may be, with the AFC Sessional Paper and the Kenya Meat Commission Sessional Paper. We want that before this House is dissolved, we write-off debts of coffee farmers. If they wish that the Minister reintroduces the Sessional Paper which was withdrawn here, it will serve nobody's purpose. It will go to write-off the debts of the big fish who had borrowed money in the Co-operative Bank of Kenya. We want a real write-off for farm input facilities and credit to societies and even co-operative money; that is, money that was given to coffee factories for electrification. Those coffee factories never got electrification to assist them in the primary process and yet the facility continues to attract interest at the Co-operative Bank of Kenya.

Today, if we are going to talk about our new markets in the global coffee equation, the farmer must have that debt written-off. Two, the farmer must be guaranteed a price. The only way to guarantee the farmer a price is to make sure that he produces good quality coffee. The only way that the farmer is going to produce good quality coffee is by supporting him through financing. We must strengthen our coffee institution by financing the production and processing of coffee. Right now people who want to sell coffee are busy haggling about becoming marketing agents, but there is no coffee to talk about. The Motion is clear. From 1,000 to 40,000 metric tonnes. From US\$200 to about US\$8 per bag. It is miserly. People are talking about sustainability while the multinational companies in coffee are winning. We have to support coffee farming as a sustainable way of alleviating poverty in Africa. In the alternative, people produce coffee to generate cash to feed themselves. Issues of food security are also coming into the picture. If people are going to talk about diversification into other products, they still have to be financed and promoted.

Coffee farming is good provided farmers will be guaranteed a return. It is no longer possible for coffee farmers to produce coffee and not to realise anything below the cost of production. The poor farmers can no longer sustain the rich multinationals who are now controlling US\$55 billion out of the US\$60 billion US market for coffee and the poor farmer is only earning US\$5 billion.

I beg to support the amendment, Mr. Deputy Speaker, Sir.

*(Question, that the words to be
deleted be deleted, proposed)*

Mr. Mwenje: Mr. Deputy Speaker, Sir, I wish to start off by saying that I oppose this amendment brought by the Minister. Some of us are coffee farmers and we know what coffee farming is all about. Some of us have been brought up and our school fees paid from coffee sales. We know coffee practically, not just by reading about it from the books.

I want to start off by referring the Minister to Sessional Paper No.1 of this year which was talking about the AFC. When this Sessional Paper was brought to this House it was specific and it talked about the loans in the AFC. All these complications within the parastatal reforms were never involved. The Motion is very specific. We are asking that those loans which are owed by the co-operative sector to the Government or are Government-guaranteed, be waived. We hope the Minister understands the purpose of this Motion. It is not all that complicated. The moment you start talking about parastatal restructuring and loans, you will not get anywhere. We want to talk about the small coffee farmer. We are not even talking about those tycoons who the previous speaker was referring to. We are simply talking about the small coffee farmer who takes his coffee to the co-operative society and has now ended up servicing big loans.

As I stated earlier, according to Section 48, the original Motion loses its meaning if we try to introduce this amendment.

Mr. Deputy Speaker: It gives that authority to whom?

Mr. Mwenje: What I am trying to say is that it negates the original meaning of the Motion. The Motion is not even supposed to be moved in that state. I do not want to talk much because I would like this Motion to be disposed off--

Mr. Deputy Speaker: Order! Once the Chair has made a ruling on an amendment or a Motion--

(Mr. Michuki held loud consultations)

Order! Hon. Michuki, ordinarily, you are my very good friend. What is wrong with you this morning? Once a Motion or an amendment has been approved Section 48 ceases to apply. Section 48 asks the Chair to rule whether it negates or does not. The Chair has ruled that it does not. So, that is not an issue any more.

Proceed.

Mr. Mwenje: Mr. Deputy Speaker, Sir, in view of that, I beg to oppose.

Mr. Kibicho: Mr. Deputy Speaker, Sir, I oppose the amendment. As far as the amendments which the Minister is proposing are concerned, they will not help the coffee farmer. We know the World Bank and the European Union will not write off Kenya's debt until such a time as Kenya becomes creditworthy. That may not happen with this Government. All what we are asking for is a subsidy. We are saying that the Government provides for these funds to be paid to the banks. The situation can be reversed when the Government and the World Bank come to an agreement. For now we are saying that money must be sought for this debt to be written off.

I oppose the amendment.

Mr. Mutahi: Mr. Deputy Speaker, Sir, I also rise to oppose the amendment the reason being that we are being told about the World Bank, the IMF and all that. Let me give a very typical example as to the amount of money on Skip II that Mukurweini Constituency got. We got about Kshs20 million. Today it is reflected on the list that we owe the Co-operative Bank Kshs254,281,000. So, you can see that this is---

(Loud consultations)

Mr. Deputy Speaker: Order! I want to hear the hon. Member on the Floor. Proceed.

Mr. Mutahi: This is not all about Skip I or the World

Bank, this is mostly about the interest rates. The World Bank could have lent this money at an interest rate of 3 per cent or 1 per cent. Now the interest rate has risen to 15 per cent. The difference between what we were given by the World Bank and what we are supposed to pay now is Kshs220 million. That is what we are talking about. We are talking about first of all, writing off the interest that does not involve the money that we are given by the World Bank.

I beg to oppose.

(Question, that the words to be deleted be deleted, put and negatived)

(Debate on the original Motion resumed)

Mr. Deputy Speaker: So, hon. Members, we now go back to the Motion as originally moved.

Mr. Muite: Mr. Deputy Speaker, Sir, this is a very appropriate Motion because of the importance of the Coffee industry. I would urge the Minister to see the spirit in which the Motion is brought despite the fact that we have rejected the amendment. It is because we do not want any delay and we want to separate the large scale coffee farmers and all the people from the poor co-operative society members. The people intended to be helped by the Sessional Paper which we are asking the Minister to bring are the small scale coffee farmers. It is a matter of note that the Government has got the initiative to bring a Sessional Paper in this House regarding the writing off of AFC loans. When you examine a majority of those debtors you will find that they are what you call the able people, that is the politically well-connected people. Those are the ones who had borrowed millions of shillings from the AFC and yet the Government, on its own volition, took the initiative to bring a Sessional Paper here to write off those loans. The question which arises is why the same Government does not see it fit to bring a Sessional Paper on its own volition to write off loans owed by small scale coffee farmers who are members of the co-operative sector. It is the Government which has failed in providing supportive services to the co-operative movement in this country.

One of the major reasons why the co-operative sector in the coffee industry has collapsed is because for a long time the co-operative societies for coffee were a source of income for the Provincial Administration and co-operative officers. We have got many examples across the entire country where a co-operative society will hold elections and then its office bearers, in cahoots with the Provincial Administration, the police and the co-operative officers, will start swindling money from the membership of the co-operative society. When members have attempted to hold a general election in order to vote out a corrupt committee, the police, the Provincial Administration and the co-operative officers step in, in order to prevent the holding of elections by members of a society who want to elect good

and upright committee members. This has been the source of destruction of the co-operative societies, merely because a particular corrupt committee pays money to the OCPD, other police officers, co-operative officers and the Provincial Administration. So, a corrupt committee is propped up in office, and members are prevented from voting them out.

So, the Government, through the Provincial Administration, the police and the Department of Co-operative Societies bear a very large percentage of blame in the collapse of the coffee industry as far as these small-scale coffee farmers are concerned. So, we are saying that in recognition of that negative part which the Government has played, the Government should bring a Sessional Paper to this House in order to alleviate the burden that the small-scale coffee farmers are carrying on their shoulders.

The other reason for the collapse is the escalation of the interest rates. Again, these small-scale coffee farmers are in no way responsible for the destruction of the economy and the escalation of the interest rates. So, again, why should this burden be left on their shoulders? If there was ever an appropriate case for the writing off of the loans, it is this particular one for the co-operative societies. We urge the Minister to bring this Sessional Paper immediately before the head of his party - the Chairman of his party who is also the President of this country - dissolves this Parliament shortly after they nominate Mr. Uhuru Kenyatta as KANU's Presidential candidate. We know that, that is what they intend to do, and they are welcomed to do it. But we want that Sessional Paper here before 12th October, so that we can, at least, say that this Eighth Parliament is the one that received it. The Minister is a hard-working person. He comes from a coffee growing area, and if there is one area where, in fact, the small-scale coffee farmers are suffering, it is his home district, in the wider Kisii district.

The Minister is aware of a very embarrassing situation today; that, back in 1977 when we were talking about Chepkube, when Kenyans were actually buying coffee from Uganda, over 75 per cent of the coffee which is being grown in the wider Kisii district is being sold to Uganda across the border, from Kenya to Uganda. What could be more embarrassing! So, we want to help, not just the small-scale coffee farmers in Central Province. We want to help those in the other areas, across the entire country and in particular in the wider Kisii district.

So, I do wish to urge, as strong as I can, that the Minister accepts this Motion. This Motion is talking about the Government loans; how the Minister does it, in terms of any loans that may have come from the World Bank, that is up to the Government; that is a matter of details and implementation. We are saying that those loans should be written off. The writing off of the loans should go hand in hand simultaneously with other strategies of sustaining coffee farming in this country. One, there should be some comprehensive policy on how to come up with higher-yielding coffee varieties. In fact, it should be across the entire agricultural centre. There should be higher yields, be it for maize, sugar-cane and cashewnuts. You have got to come up with a State supported research programme so as to increase the coffee yield per tree and also to lower the cost of production. It is not just enough for the Government to write off these loans, because writing off the loans is not going to be a sustainable step in terms of sustaining the coffee industry and production in this country. It has got to be accompanied by these other strategies. You must lower the costs of production of coffee in this country. You must increase the yields.

The third area in which the Government must address very aggressively is in marketing. We have no strategies of marketing Kenyan coffee in the world. We do not! We have got to look into ways of adding value to our coffee. If you go to California--- There was a show here the other day, and the people who had organised that show in Los Angeles had gone to the Coffee Board of Kenya (CBK) trying to get one or two kilos of Kenyan coffee to go and display there--- Zero!(?)

When we appoint Ambassadors--- The Ministry of Foreign Affairs and International Co-operation should, in fact, be renamed. It should be the Ministry of International Trade and Foreign Affairs. Promotion of these Ambassadors should not be on a basis on how many cocktail parties they attend in the capitals of the world. Promotion of these Ambassadors should be on how they have improved trade, between the country where they are accredited and Kenya in Kenya's favour. One of the commodities that we want marketed is coffee. Every country where we are represented, we have got an accredited Ambassador. We should not just leave it to the Commercial Attaches who go there and do nothing. They should be, in fact, judged on the terms of how they are promoting Kenyan coffee and tea. So, marketing is another area that needs to be taken up very aggressively.

I do recall of this Kenyan who was from Luoland who came up with Ruiru 11 results. Then, he was snatched by Vietnam and went there to carry on with his research with the result of having the Ruiru 11 variety of coffee being produced in Vietnam and producing ten times more than our Ruiru 11 at next to no costs. So, how can our coffee compete when somebody else is producing the same quality at a lower cost?

So, I do urge that this Motion be accepted by the Government and that the Sessional Paper be brought here as soon as possible.

I beg to support.

Dr. Omamo: Mr. Deputy Speaker, Sir, I am fully in agreement with this Motion. I sympathise with the Minister when he introduced his amendment in the spirit and belief that the longest way round may be the shortest way

through. But the House apparently is more interested in finding a shortcut; it is the question of non-performing loans.

As I am speaking now, I come from a constituency that is a victim of non-performing Government loans. If the truth is to be told, it is because of the non-performing Government loans that Miwani Sugar Company, Sony Sugar Company, Muhoroni Sugar Company and Nzoia Sugar Company are in trouble and some under receivership, because of non-performing Government loans.

When it comes to coffee, the problem of non-performing Government loans has been brought out to the open-right on the surface-by hon. Members, and I thank them. I happen to be a farmer of sugar-cane which is a victim of non-performing Government loans. I happen to be a farmer of sugar-cane which is a victim of non-performing Government loans. I also happen to be a coffee farmer. But, today, when I compare the sugar-cane with coffee, Ruiru 11 and Sugar-cane CO421, if I could be permitted to uproot one of these two crops, I would start by uprooting coffee, because it makes my loan burden become heavier. The cost of production and that of inputs is very heavy. I would like to support hon. Muite who has referred to Ruiru 11. The Ruiru 11 is a very good variety, but is it being used effectively? Is the Government taking it as a priority to introduce Ruiru 11? No, not yet, Just imagine the marginal areas starting from Muhuru-Kadem through Kuria, a bit of Kisii and Rachuonyo, coming up to Nyando---

Mr. Michuki: On a point of information, Mr. Deputy Speaker, Sir.

Dr. Omamo: Mr. Deputy Speaker, Sir, I do not need information. If it is information with regard to coffee, I am a coffee man!

Mr. Deputy Speaker: Proceed, Dr. Omamo!

Dr. Omamo: Thank you, Mr. Michuki, you will inform me on many other things, but this is alright.

Mr. Deputy Speaker, Sir, that area bordering Kisii and Kericho up to Kisumu District and Siaya, is able to produce two crops in a year because of good rainfall. That area would do very well if the coffee variety there is uprooted and replaced with Ruiru 11 variety. What is robusta coffee doing in Ugenya, Gem, parts of Alego and the upper part of Sakwa? The robusta coffee that is growing there is of very low quality. I would like to suggest that we should do everything possible and persuade the Ministry of Agriculture and Rural Development to make maximum use of the Ruiru 11 coffee variety. It grows faster and produces very well. This variety will help in lowering the cost of production.

Mr. Deputy Speaker, Sir, the Ministry should be serious. I am sure the present Minister for Finance is serious with his job when he tells the House that a Sessional Paper is being prepared. We would like to see that Sessional Paper. Earlier on when we debated the plight of the sugar-cane farmers and the sugar factories, the Ministry of Finance and Planning promised to bring a Sessional Paper. Where is that Sessional Paper? Will that Sessional Paper arrive before or after Kasarani II? The farmers are suffering. I would like to support this Motion in full. We should see the Sessional Paper very soon in order to help pull the poor coffee farmers from the present predicament.

With these few remarks, I beg to support.

Mr. Ndicho: Thank you, very much, Mr. Deputy Speaker, Sir. I rise to support this important Motion, which is very timely. What is ailing the coffee industry is that, farmers were lent money sometime back, and as the rate of interest kept on escalating, the farmers were unable to service that loans, and consequently, they could no longer get inputs from the co-operative societies in order to continue with coffee growing. It is timely when this Motion asks for the writing off of those non-performing loans. The Government could have a hand in helping resuscitate the coffee industry.

Mr. Deputy Speaker, Sir, I would like to go ahead and ask co-operative societies to write off loans that farmers owe them. As a consequence of these loans, farmers cannot get fertilizer and chemicals to spray the coffee. They can no longer get money which used to be advanced to farmers to pay the people who are picking and pruning that coffee. When farmers go to the factories to look for money, they are denied further loans because of the debts they owe. What the farmer then does is to abandon coffee growing altogether and start growing other crops in the coffee plantation. For example, beans, potatoes, maize *etcetera*. Consequently, it leads to the decline of coffee production in the country. It is not only the farmer who gets affected, but also the country at large, because of lack of foreign exchange.

Mr. Deputy Speaker, Sir, I envisage a situation where the Government could do some offshore borrowing and write off these debts, including helping to write off the debts at the factory and co-operative level so that the farmer starts afresh at a point where he owes nobody no amount of money. There was a time when we used to produce 150,000 tonnes of coffee, but today, the production is less than 40,000 tonnes. It is amazing that this has been happening while the Government just watches. There is no time the Government attempted to arrest that situation. It is incumbent upon the Government - if it intends to help the farmer and the country in general get foreign exchange - to hear the prayer of this Motion and look for some money. The Government has the capacity to go offshore and borrow some money, and then write off these loans and loan farmers more money for fertilizer, chemicals, pruning, weeding and irrigation. I am assuring the Minister that if the Government can invest about Kshs10 billion in farming, within

three to four years, the Government would have got back the entire Kshs10 billion and the farmer will be back on road producing coffee.

Mr. Deputy Speaker, Sir, I wonder where the coffee money gets lost. If you took a cup of tea or coffee in Muhoroni, one cup of coffee would cost you about Kshs5 on top. In a small village in Muhoroni, a cup of coffee would cost you Kshs15 when a cup of tea would cost Kshs10. If you went to Kisumu, the price of the same cup of coffee rises. It would cost you about Kshs30 or Kshs45 a cup. When you come to Nairobi, at the Inter-Continental Hotel, the same cup of coffee costs Kshs150. The same cup of coffee is drunk in London at about Kshs500 to Kshs800! So, when you tell the coffee farmers that the prices are going down, they wonder who did not pay for his cup of coffee and yet, the price of coffee in Muhoroni, Kisumu, Nairobi and London kept on going up! They do not understand how the bookkeeping is done!

Mr. Deputy Speaker, Sir, there are also culprits in the coffee industry who destroy accounts of coffee money. There are people in management committees at the co-operative societies who steal the money. I have a case where my mother takes her coffee to Gititu Coffee Farmers' Co-operative Society. The management committee in that society--- We have checked the records and money was paid by the Kenya Planters Co-operative Union (KPCU) from the Coffee Board of Kenya. They took the cheque to a dormant account in Kiambu Co-operative Society. They told the farmers that coffee has not been paid for. When some old men from that coffee society went to the KPCU, they found out that the cheque was given last month. They followed the money up to where it was banked. When some officials of the co-operative society and the KPCU realised that the money was being followed, they went very fast, withdrew that money and put it in a bank. I have got papers showing how that money for Gititu Coffee Farmers' Co-operative Society, to the tune of Kshs50 million, was withdrawn on various dates. The farmers did not get that money and they were told that the Government interfered with it and it is President Moi who took that money and yet, it is those people who took the money.

Mr. Deputy Speaker, Sir, right now, when the farmers realised that, that is what happened to last year's crop, have refused to handover 2.5 million kilograms of clean coffee, which is now rotting in factories. They have said: "We are not going to release our coffee again, for the same process to be followed!" Those are people who should be arrested by the Government, charged with theft and jailed! The current Coffee Act is quite explicit about people who are involved in stealing farmers' money. They should be arrested and forced to repay that money. The money should then be paid to the farmers. So, that is a case in point. Those people are coming to the Minister for Agriculture to seek help to separate Gititu Farmers' Co-operative Society, which has got 13 factories. They want to be separated, so that the six factories, which are refusing to handover their coffee which, if sold, will earn this country the much needed foreign exchange, could benefit. So, it is incumbent upon the Government, and especially the Minister in charge of agriculture, to ensure that the people who interfere with coffee payments are arrested, charged and jailed. They are making the farmers lose morale. Since the law is supporting that kind of action, the first lot of people who embezzle farmers' money should be arrested and put in Kamiti Maximum Prison for three years. If you recover the stolen money and take it back to the farmers, that will be the first and last lot to embezzle farmers' money and nobody else will do that again. It is not that money earned from 40,000 tonnes cannot keep us going! It can, but you find that the people involved in discouraging the farmers to grow coffee are very many. There are people from the KPCU, Coffee Board of Kenya--- The Co-operative Bank is the most notorious, including the so-called management committees. They all work in cahoot to steal that money! At the end of the day, the loser is the farmer. That is because when he is discouraged, he abandons coffee growing. The other loser is the country. The 2.5 million kilograms of coffee rotting in stores somewhere in Kiambu could earn money to help the country and the farmers. So, it is incumbent upon the Minister to find out why those things go wrong. He should arrest those people. He should get the first lot. I have got evidence of those people. I want to meet President Moi and tell him: "These people have said that you are the one who has stolen their money and yet, they are the ones who have stolen the money!" The Minister must get them, so that the farmers' money will be given back to them.

With those few remarks, I beg to support.

Mr. Angwenyi: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion. First, I want to thank the Mover of this Motion. Only a few years ago, before our Government became decadent and embarked on a process of plundering the resources of this country, coffee was the backbone of our foreign exchange earnings. In coffee growing areas, ten to 15 years ago, there was no poverty. Those areas have turned into poverty-ridden areas, not because God has taken away the soils that he gave us; not because God has taken away the rainfall that we used to get; not because our people are not cultivating and doing coffee husbandry; but simply because the Ministry concerned, the Co-operative Bank of Kenya, the Coffee Board of Kenya and the coffee co-operative societies have plundered the resources and earnings from the coffee industry. Yet, the Government has decided to cast a blind eye to those atrocities being visited on the coffee farmers in this country!

Mr. Deputy Speaker, Sir, I also want to enjoin this Parliament because it has gone ahead to approve the

budget of the Ministry concerned year-in, year-out, despite its endeavours to destroy the coffee industry and impoverish the coffee farmers of this country.

Mr. Deputy Speaker, Sir, ten years ago, we received support in form of STABEX funds from the European Union. Instead of that money being channelled to coffee farmers, it was stashed in foreign and local banks of dubious standing. In the process, we have destroyed the coffee sector; the same way we have destroyed the sugar industry and the same way we are trying to destroy the tea sector.

Mr. Deputy Speaker, Sir, the amount being sought to be written off is only less than Kshs2 billion. But this House knows that two months ago, the Government brought a Sessional Paper to write off loans amounting to Kshs11 billion owed to the Agricultural Finance Corporation (AFC). Why did the Government choose to write off Kshs11 billion owed to AFC instead of writing off Kshs2 billion owed by coffee farmers? The reason is that the non-performing loans owed to AFC were taken by well-connected people of this country. An average Kenyan could not access the loans at AFC. If the average Kenyan had an access to the loans from the AFC, there is no way the Government could have brought a Sessional Paper to write off that amount.

Mr. Deputy Speaker, Sir, two months ago, this House was asked to approve a write-off of about Kshs1.4 billion owed to the Kenya Meat Commission (KMC). That, again, was because that amount arose from debts incurred by well-connected people in this country.

Mr. Deputy Speaker, Sir, the only consolation I have is that the Government which condones the plunder of its resources, impoverishes its people. This House must force the Government to write off these loans because they never benefited our farmers. Some of these loans were taken by the management and shared out with the management of the Co-operative Bank of Kenya, the Coffee Board and societies. The Government must write off these loans and pursue the culprits. They must bring to book the people who took this money.

Mr. Deputy Speaker, Sir, coffee used to be a major cash crop in Gusiland. It was a major cash crop in Nyamira, Kisii Central, Gucha and other parts of Nyanza Province. Today, it is no longer a cash crop in Nyanza Province. The managements of co-operatives societies took loans, but they did not invest the money in the improvement of coffee. In fact, people do not want to deliver their coffee to those societies. As I speak here today, I have got more than 300 bags of coffee in my stores because I cannot deliver them to the corrupt co-operative officials.

Mr. Deputy Speaker, Sir, agriculture used to be the backbone of this economy. This Government has undertaken to destroy every sector of agriculture. They have destroyed the sugar, coffee and dairy industries. They also destroyed the cashewnut industry in the Coast Province and the meat industry. About ten years ago, this Government embarked on a project to impoverish the people of Kenya.

Mr. Deputy Speaker, Sir, in fact, if this Government did not engage itself with the "project", I believe the "project" would have done much better. Maybe, my friend, Mr. Ndicho, will advise the "project" that the more it enjoins itself to this Government, the more it is repelled by the people of Kenya. This Government has hurt the people of Kenya beyond any measure.

Mr. Ndicho: On a point of order, Mr. Deputy Speaker, Sir. Mr. Angwenyi is talking about the Government and the "project". Does this House know which "project" the hon. Member is referring to?

Mr. Speaker: Order! Mr. Ndicho, go and look up in the dictionary the meaning of the word "project".

Mr. Angwenyi: Mr. Ndicho knows the meaning of the word "project". It just means that good name we coined when we attained our Independence. However, it is now being corrupted and contaminated by the dirt of this Government.

The Government should establish a fund to improve the development of the coffee industry. I am surprised that the Minister stands up and says they will bring a Sessional Paper. When will they bring a Sessional Paper? This question was asked in this House in March, which is nine months ago, and yet the Government has not brought a Sessional Paper to write off these amounts. It means that the Government does not have the intention or commitment to write off these amounts of money owed by coffee farmers. This Government is the one which promises things, but it cannot implement them. We know what happened five years ago between this Government and our teachers. Our teachers have persevered for the last five years. It is sad that the Government decided to cancel the agreement that was signed five years ago. A government which signs an agreement and does not want to implement it is not worth its salt. A government which signs agreements with Dukawallahs; the thieves of this country, but it cannot implement an agreement between it and its citizens, should not be trusted. There is no basis to trust the Ministers of this Government.

Mr. Deputy Speaker, Sir, I urge this House not to pass this year's Budget by guillotine unless these loans are written off and teachers' salaries are brought before this House.

With those few remarks, Sir, I beg to support.

Mr. Deputy Speaker: It is now time to call upon the Mover to reply.

Mr. Kihoro: Mr. Deputy Speaker, Sir, I thank all the hon. Members who have contributed to this very

important Motion. Everybody has spoken with unmatched eloquence on this very important subject. I believe they have done so, because the coffee industry is very close to their hearts. Many of the hon. Members are here because they were educated from the proceeds of coffee. Time has come for them and the Government to pay back.

Mr. Deputy Speaker, Sir, hon. Members have demonstrated that the coffee farmer today is a victim of corruption and unacceptable international coffee practices, led by various cartels which have made coffee a "shame" crop that no longer pays. There used to be an international coffee organisation. It paid the coffee farmers well. However, it collapsed more than ten years ago. That has really contributed to the decline of the industry. This country has been built from proceeds of coffee. Coffee used to be our main foreign exchange earner. Today, it has gone down to number four.

Mr. Deputy Speaker, Sir, as I speak, the coffee farmers find it difficult to educate their children. We find that even the literacy rate in this country is declining because a coffee farmer is not able to educate his children. This is a matter of genuine national emergency for the Government to deal with. We cannot deal with 26 per cent level of poverty in this country without dealing with coffee and other crops that have been mentioned by the hon. Members. They are all very important. We cannot think about revival of the economy in this country without talking about agriculture. It is very important that this Government, maybe as a final act, does deal with the question of the coffee industry in this country and reinstates coffee to what it was previously.

Mr. Deputy Speaker, Sir, this House passed a Motion that was moved by Eng. Toro on Guaranteed Minimum Returns for coffee. It is food for thought for this Government to think about. A cup of coffee in New York costs US\$3. That amounts to a tea-spoon full of coffee. In my constituency, only about two years ago, one coffee society called Kamuyu Farmers Coffee Co-operative Society sold 6,500 kilogrammes of clean coffee to the Coffee Board of Kenya. If you want to get an equivalent, in terms of shillings, we are talking about Kshs50,000 per kilogramme of coffee. That coffee was sold by the Coffee Board of Kenya (CBK) for US\$3. It is a shame that 6,500 kilogrammes of processed coffee would sell for US\$3! I saw the sheet and I could not believe it. That is what the coffee farmer suffers from. The coffee farmer has become a slave of the local corrupt industry and international coffee trade. You cannot have a new international economic order; we cannot have a globalised economy whereby Africa and, indeed, the coffee farmer remains just a producer of raw materials. That is what happened during the slave trade; that is what happened during colonialism; that is what has happened during the 40 years of African independence. We want to have a fair world trade which will ensure that market prices for African produce is paid for with the equivalent in terms of labour and input. That is what is important. It cannot just be globalization in terms of war, fighting Iraq and anywhere else and you do not want to deal with the issues of the day in respect of the economy; in respect of African countries; and, indeed, in respect of coffee. It is very important that we bring fair terms of trade in respect of African produce. The leading crops are coffee and cotton. Dr. Ochudho has tried to persuade me to bring an amendment in respect of cotton, because he has very strong feeling about how much the cotton farmer has also suffered in Nyanza Province and areas of Bura, which I have visited. He has very strong feelings about it. Maybe, if Parliament will not be dissolved soon, that is also food for thought for this Government.

Mr. Deputy Speaker, Sir, it is very important that this Government deals with the issues of agriculture, and starts with coffee, which is number one nation-builder. In this country, many of us have been educated on income from coffee.

On European and the United States of America economies, we have been misled by Western countries which talk about government not interfering with agriculture. That does not even happen in Europe. You will find that out of a budget of Euro 100 billion in Europe, 35 per cent of it supports only 4 per cent of farmers in the European Union. This is the case and yet they spend 35 per cent of their European Budget supporting only 4 per cent of the population. This is a very good indicator of, indeed, what is happening in Europe and the United States of America. In the United States of America, 4 per cent of the population is also involved in agriculture and you find many subsidies going into that sector. We cannot leave the farmer whether he is a coconut farmer in Coast Province, or coffee farmer in Gucha or the pastoralist who would like the Kenya Meat Commission (KMC) to be revived. There is a proposal to pay Kshs1 billion of taxpayers' money in this country to revive the KMC. I know that the Minister takes coffee seriously because, without this crop, he will find it very difficult to persuade anybody to vote for him.

Mr. Deputy Speaker, Sir, it is very important that, as this Government deals with the Agricultural Finance Corporation (AFC) loan - Kshs8 billion, revival of the KMC - Kshs1 billion and coffee debts - Kshs2.1 billion, they are put together. These issues should be handled together because there is no way I can see the AFC or the KMC loans being paid without dealing with the issue of the coffee farmer.

Mr. Deputy Speaker, Sir, I beg to move and say that it is very important that this matter is dealt with urgently because it is a national emergency.

(Question put and agreed to)

ABOLITION OF COST SHARING FOR
OUT-PATIENT SERVICES

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

THAT, considering that despite Government commitment to fight poverty from 1963, it remains a serious challenge affecting more than 56 per cent of the total population of Kenya, which is unable to fully participate in cost sharing in public medical institutions, this House urges the Government to abolish cost sharing for out-patient treatment in all district and sub-district hospitals, health centres and dispensaries.

A country's health service is extremely vital since it affects all spheres of life, including productivity of the economy. It is a fact that a sickly population will not bring about rapid social economic development. The current Development Plan states that the life expectancy for Kenyans improved from 44 years in 1962 to 60 years in 1993. However, this life expectancy declined to 47 years by the year 2000. Infant mortality rate on the other hand increased from 64 per 1,000 in 1993 to 72 per 1,000 in 1998. The health sector has been declining for a considerable time now, but the real reason for this is the rampant poverty.

Mr. Deputy Speaker, Sir, at Independence, the country had a vision of being able to fight three enemies, namely, poverty, ignorance and disease. Although some efforts have been made towards fighting ignorance, poverty and disease still pose major problems. The sad thing is that poverty is more rampant today than it used to be in 1963. I am not talking about the technical ways of assessing poverty, but I am talking about the simple situation where the *mwananchi* struggles to survive; what he will eat. He is not even bothered very much about how he will keep away the cold at night or get clean water. I am talking about the basic necessity, namely food.

In 1963, the situation in the country was better in the sense that the population was only 7 million.

QUORUM

Mr. Kimeto: On a point of order, Mr. Deputy Speaker, Sir. I do not think there is quorum in this House.

Mr. Deputy Speaker: He is right! There is no quorum! So, ring the Division Bell!

(The Division Bell was rung)

Mr. Deputy Speaker: Order! There is now a quorum. Proceed hon. Mbela!

Mr. Mbela: Mr. Deputy Speaker, Sir, the situation was a bit better. At least, people were not as poor as they are today; they had enough food to eat and they were not going anywhere. We did not have a system where the Government was providing food to the people. The weather was reliable and the people were not even having sophisticated skills in agricultural profession but, at least, they had enough food to eat. Unfortunately, this time round, a large population of Kenyans rely on rain-feed agriculture, which is no longer possible. A substantial population is surviving on 80 per cent of the land, which is arid and semi-arid. Unfortunately, this land is occupied by wildlife and it becomes complicated where there is a conflict between human beings and the wild animals in land use. We have noticed that, if any of the wild animals is killed, helicopters will be made available very fast and the people are quickly arrested and yet, when the destruction of crops is done by the wild animals, there is always no money to drive away wild animals. The same *mwananchi* has to bear the cost of treating his domestic animals because the diseases that affect the wild animals also affect livestock; and yet at no time would you find the Kenya Wildlife Service (KWS) people bothering to come and help in the construction of a dip.

Mr. Deputy Speaker, Sir, cost-sharing is also a major problem in the field of education. If you do not have enough teachers, the *mwananchi* has to foot the cost of paying for additional teachers who are employed by school committees. He is also asked to pay for school budgets, pay for the school lunch, and generally, it is the same *mwananchi* who meets the additional cost and it is becoming a very big burden.

Mr. Deputy Speaker, Sir, if we examine the cost-sharing system in public hospitals, who does it benefit? Last July, this Parliament voted Kshs7.6 billion for the Ministry of Health in order for it to meet the normal costs of salaries, allowances, drugs and uniforms. Since the KANU Government has zero-tolerance for vices like corruption, I would like to assume that there will be no rackets in terms of drugs being purchased and be used in medical institutions. If this happens, it will be a departure from the normal practice, where, as soon as the drugs are purchased, and arrive at the district hospitals, dispensaries or even health centres; they quickly find their way to private pharmacies. When *mwananchi* who turns up for treatment, first of all, he has to supply his own notebook, where the prescription notes are written, and at the end of it, he is made to pay or he is given a prescription to go and buy medicine. When he goes to

the Government pharmacy, he is told where exactly to go and find the medicine. How do Government pharmacists know where to find the medicine prescribed, unless they are in league with private pharmacists, where they send medicine to?

Mr. Deputy Speaker, Sir, recently, I had an experience that would be difficult for me to forget. I went and bought medicine from a private pharmacy and, on looking at it, it was conspicuously stamped GK. It is true that somebody was arrested for selling Government drugs. But, immediately thereafter, the case seemed to have disappeared. The truth is that the money for cost-sharing is not being properly accounted for. It is money that is being shared between the Government staff and very little finds its way to the actual accounts. I notice that the current development plan discusses user fees and they are hoping that they will rise from 5 per cent to 30 per cent. But if the *mwananchi* is already finding it very difficult to afford these fees, how can he afford them if the expenses are increased six times?

I was impressed recently when there were problems in areas like Kisii due to highland malaria. My friend Prof. Sam Ogeri who happens to come from that area moved extremely fast and he was able to suspend the cost-sharing for those people. I do not think that he was aware that this is one disease that has almost wiped out the entire Coast Province. We suffer from it daily, but because it went and touched those other areas which he is familiar with, he suspended cost-sharing for some time. In reality, malaria has become the worst problem because of the drugs which are resistant to treatment as it was known some years ago. The tendency is for the *mwananchi* who is suffering from malaria to go and buy some aspirins and leave the rest to prayer and, therefore, the whole population becomes weaker and weaker. The truth is that, eventually, such people end up dying from malaria. Currently, malaria is killing more people than HIV/AIDS. If part of the money being used for the campaign against HIV/AIDS could be used to combat malaria, the number of deaths caused by malaria could be reduced. This is a very serious situation. So, I look forward to Parliament passing this Motion. More importantly, the Government should bring to an end the theft that thrives in public health institutions in the name of cost-sharing. The money raised through this programme do not benefit the user of medical facilities. The programme does not subsidise the costs of medical supplies as intended.

With those few remarks, I beg to move and request hon. Kamolleh to second the Motion.

Mr. Kamolleh: Bw. Naibu wa Spika, nimesimama kuiunga mkono Hoja hii. Mwanzo kabisa, ningependa kumshukuru Mhe. Mbela kwa kutafakari juu ya jambo hili na kufahamu kwamba wakazi wa mashambani ndio wanaoumia zaidi kuliko wakazi wa mijini. Wakazi wa mashambani wanaathiriwa zaidi na maradhi kama vile malaria, kuhara na kutapika, na magonjwa mengine yanatokana na matumizi ya maji machafu. Hayo yote, hutokea katika sehemu za mashambani. Wakazi wa mijini hawaathiriki na magonjwa hayo. Mimi na Bw. Mbela ni Wabunge kutoka sehemu za mashambani ambako kuna vichaka na nyasi ndefu, ambako nyoka huishi. Katika sehemu hizo pia kuna miiba ambayo ikikudunga unapata uvimbe. Ukienda hospitalini, unaambiwa utoe kiasi fulani cha pesa ili utibiwe. Mpango huu unatumiza sisi wakazi wa mashambani. Manufaa ambayo Serikali ilitarajia wananchi wapate kupitia huu mpango sasa yamekuwa madhara kwa jamii. Dawa hazifiki katika vituo vya afya, na zikifika hazitoshelezi mahitaji ya wananchi.

Bw. Naibu wa Spika, Serikali ilipoanzisha mpango wa kugawana gharama katika sekta ya afya, ilidhamiria kuziwezesha hospitali na vituo vya afya kuwa na pesa ambazo zingetumiwa kuboresha huduma. Lakini fedha zinazokusanywa ni kidogo, na wanaozikusanya huzitumia kwa mahitaji yao ya kibinafsi. Serikali ilidhamiria kutumia fedha hizo kuvifanyia marekebisho vituo vya afya, na kuvinunulia vituo hivyo vifaa vidogovidogo. Malengo hayo yote yamekuwa ndoto kwa sababu maafisa wanaosimamia hospitali, vituo vya afya na zahanati hupeana zabuni za uwongo. Hivyo basi, utozo wa taasisi za matibu ya umma wa kuboresha huduma umedidimia. Wakazi wa mashambani hawajui wafenyeje.

Serekali ilidhani kwamba kupitia mpango wa ugawanaji gharama katika taasisi za afya ya umma, taasisi hizo zingeweza kujinunulia madawa na vifaa vingine. Lakini, madawa yaliopo ni kidogo, na yakiwepo hutolewa kwa mlango wa nyuma na kuuzwa kwengineko. Wagonjwa hutozwa pesa nyingi wanapozinunua dawa hizo katika taasisi za kibinafsi. Kwa hivyo, tunasama kwamba haina haja wagonjwa walipe cho chote katika hospitali za wilaya na taasisi nyinginezo katika sehemu za mashambani. Hoja hii haigusii hospitali za mijini. Tunataka mpango huu ufutiliwe mbali katika sehemu za mashambani ili wakazi katika sehemu hizo waweze kupata huduma bila ya udhalili.

Bw. Naibu wa Spika, tuliitaka Serikali ifanye ukaguzi wa pesa zilizokusanya kupitia mpango huu katika hospitali ili kuonyesha jinsi zilivyotumika, lakini ukaguzi huo haujafanywa. Taasisi za afya ya umma hazina rekodi ya kuonyesha pesa zilizokusanywa na zile zilizotumiwa. Waziri anaweza kuyajibu maswala haya kwa kutuonyesha ukaguzi wa mapato na matumizi ya pesa hizo kupitia mpango huu. Kama Waziri hana ripoti ya kaguzi hizo, basi kuna haja gani sisi kuwaambia wananchi kwamba tutawasaidia kupunguza umaskini? Tunawafanya kuwa maskini zaidi kwa kuwalipisha kwa huduma za afya kwa kisingizio cha kuisaidia Serikali. Watu hawaisaidii Serikali; wanasaidia watu binafsi. Serikali inadai kwamba haina pesa za kuwapa wananchi huduma za afya bila ya malipo. Kila mwaka, Bunge hili hupitisha makadirio ya mapato na matumizi ya pesa za Serikali. Tarakimu ambazo huletwa hapa ni za

kustaajabisha. Utaona kwamba, Idara ya Ulinzi ina bajeti kubwa kuliko Wizara ya Afya. Nchi hii haiko vitani, na haitarajii kupigana vita hivi karibuni. Kwa nini Serikali hutuambia kwamba haina pesa? Ni heri tuipunguze bajeti ya Idara ya Ulinzi na kuiongeza ile Idara ya Afya ili wananchi waweze kusaidika. Kwa nini tusiipunguze bajeti ya shirika la huduma ya jinai nchini na kuuongezea mfuko wa Idara ya Afya ili tuwasaidie wakazi wa mashambani?

Bw. Naibu wa Spika, tumechaguliwa kuja katika Bunge hili ili tuwasaidie wananchi katika sehemu zetu za uwakilishi Bungeni. Mimi na Mabwana Mbela na M.M. Galgalo tumetoka sehemu za mashambani. Atakaposimama kujibu maswala yanayozunguziwa hapa, Prof. Ongeru atasema kwamba Serikali haina pesa. Si tunaweza kupunguza pesa tunazoipa Idara ya Ulinzi na zile tunazolipa shirika la huduma ya jinai nchini na kuiongeza Idara ya Afya ili wananchi waweze kufaidika?

Bw. Naibu Spika, kuna Idara katika Afisi ya Rais ambayo inaitwa *El Nino Rehabilitation Centre*, ambayo inatengeneza daraja ambazo zimeanguka. Kwa nini pesa kiasi fulani sizitolewa katika hazina hii na kupelekwa katika Wizara ya Afya? Wizara ya Afya inafaa pia kupewa nafasi ya kujimudu na kuboreka. Ningetaka kusema kwamba pesa kidogo, kama asilimia kumi ya hazina ya Idara ya *El Nino Rehabilitation Centre*, inafaa kupewa Wizara ya Afya ili wananchi wetu walioko mashambani waweze kupata matibabu ya bure. Wananchi wanafaa kupewa madawa, na ikiwezekana wapewe hata magari ya kuwachukua kuwapeleka hospitalini bila malipo yo yote.

Karibu miaka 40 imepita tangu tupate Uhuru. Uhuru wetu sasa unabadilika kidogo na wananchi wetu walioko mashambani hawatuamini sisi tena. Wacheni ufidhuli.

Kwa hayo machache, ninaunga mkono.

(Several hon. Members stood up in their places)

Mr. Deputy Speaker: What is wrong with you, hon. Members? You know that when a Motion has been moved and seconded, the question must be proposed first.

An hon. Member: They need to go for a seminar!

Mr. Deputy Speaker: I am giving it to them for free here.

(Question proposed)

Mr. Gitonga: Mr. Deputy Speaker, Sir, thank you for giving me this opportunity to contribute to this Motion. This Motion is very important. It is even more important to people like me who represent rural communities. As my colleagues have said, it is true that in the rural areas, the situation is very serious. In fact, it is very grave because rural people cannot pay hospital bills when they are admitted in hospitals.

The only source of income for my constituents is the sale of *sukuma wiki*. Sometimes, they do not even have enough money to buy food to keep them going for the whole month. In addition, they have to contribute through the cost-sharing programme when they fall sick and the situation becomes very grave. I would not be exaggerating the situation by saying that there are people who are dying in the rural areas because they cannot afford to contribute to the cost-sharing programme in hospitals when they are admitted. When patients go to the hospital and have no money, they are asked to deposit their title deeds with the hospital administration. The situation becomes even worse when patients die in hospitals. Their relatives are not allowed to collect the body for burial before they clear the outstanding hospital bills. They then think of how they can organise Harambees to raise the money. Harambees to raise funds to clear hospital bills have become numerous and people find it difficult to contribute to them. Therefore, it is very difficult for the people in the rural areas to contribute to the cost-sharing programme in hospitals because they cannot afford. Therefore, something should be done to assist the poor people in rural areas.

Recently, a family had deposited its title deed with Kenyatta National Hospital so that a sick member of the family could be admitted in the hospital. When the sick man died, they were not allowed to collect the body for burial before they cleared the hospital bill. I had to organise a Harambee and clear the bill which was more than Kshs100,000. Before we could raise the money, the body had been in the mortuary for more than a month. When you ask people in rural areas to contribute to the cost-sharing programme when they have no source of income, this becomes not just a problem for the family, but also to the Member of Parliament for that area. People are looking upon their MPs to assist them in paying hospital bills. People are suffering not only from malaria, but from other difficult conditions, including HIV/AIDS related illnesses. This has become a big problem in the rural areas.

This Motion is very important and I would ask the Minister to consider very seriously how he could get rid of this cost-sharing programme in hospitals. Maybe, the Minister does not experience the problem I experience. I do not know what is the source of income of his constituents. I know that he comes from a rural community, but I do not know how his constituents earn their income. But it is impossible for my constituents to continue contributing to the cost-sharing programme. Therefore, I feel that time has come for us to provide free medical facilities to our people and,

probably, eradicate poverty. Every year, we discuss the Budget and pass it. But I feel that if the Government could make a commitment, we could have enough money to provide free medical facilities to our people. If you go to private hospitals, you will find that their charges are exorbitant. Even people who earn a salary feel the pinch when they are admitted in these hospitals. It is very difficult for people who have no resources to pay medical costs because they earn nothing. The money they earn is not even enough for them to feed their families and take their children to school. So, unless something is done to stop cost-sharing in hospitals, our people will be poorer than they already are, and the situation will be very serious in future.

Mr. Deputy Speaker, Sir, it is, therefore, important that the Minister should take this matter seriously, and see if there is a way in which the problem could be solved. We have, for example, a mission hospital in my area. An accident victim was admitted at the mission hospital for only one night before he died, and this cost his family Kshs60,000. The body is now lying in the mortuary and the relatives are unable to raise the Kshs60,000. That means that everyday, the family is incurring a bulk of Kshs210 as the mortuary fees. This may appear to be a very small amount of money, but it is not small to this particular family. The relatives of the deceased have asked me to assist them to raise the required Kshs60,000, so that they could be allowed to collect the body before it takes too long in the mortuary. If the body takes more than a week in the mortuary, the relatives will not be able to raise the required amount of money, and will not be able to bury their loved one.

Therefore, I am appealing to the Minister to find a way of assisting people in the rural areas by abolishing the cost-sharing programme in Government hospitals, so that people who cannot afford to go to private hospitals or mission hospitals, which charge a token fee, could get free treatment in Government hospitals. If that is not done, then the cost-sharing percentage from the *wananchi* should be reduced to the very minimum, so that our people can afford it.

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

Mr. Shakombo: Asante sana, Bw. Naibu Spika, kwa kunipatia nafasi hii kuunga mkono Hoja hii. Afya ni moja katika maazimio ya Serikali, kwamba itatoa huduma hiyo kwa wananchi wake muda tu, nchi hii ilipopata Uhuru. Ni jambo la kusikitisha ya kwamba mpaka sasa, kwa jina lolote tunaloliita kama cost-sharing ama jina lingine, ni kwamba Serikali bado haijaweza kutimiza ahadi hiyo. Hili ni jambo ambalo limetuletea matatizo sana huko kwetu mashambani. Watu sasa wanadhoofika kiafya. Watu wanakufa kutokana na magonjwa ambayo hayangestahili kuwaua, lakini kwa sababu hali ya uchumi ni mbaya na hawana pesa zakulipia cost-sharing; kulipia katika zahanati ama hospitali za wilaya, inalazimu maisha yao kumalizika.

Bw. Naibu Spika, jambo la pili ni kwamba kila mara, Wizara ya Afya na Serikali pia zinapiga kelele kuhusu wizi wa dawa. Mhe. aliyelea Hoja hii alituambia kwamba anapoenda kununua dawa kwenye duka ya dawa ya kibinafsi anagundua, kumbe hizo dawa ni za Serikali. Wizi huu utaondoka namna gani ikiwa Serikali yenyewe inaeneza wizi huo? Inaeneza wizi huo kwa sababu inawafanya wagonjwa kulipa pesa. Kama hawalipi pesa, bila shaka huu wizi wa dawa hautakuweco na kama ukiweco, utakuwa ni kidogo sana. Basi sisi tusiendeleo kupiga kelele kila siku juu ya jambo ambalo tunajua dawa yake ni rahisi.

Bw. Naibu Spika, nilishangaa juzi tulipoenda safari kule Tanzania na tukaweza kufika kisiwa cha Zanzibar. Zanzibar ni kisiwa kidogo sana na si tajiri kushinda nchi yetu, lakini niliona kwamba afya na elimu ni za bure. Kwa nini ile nchi ambayo inategemea karafuu pekee inaweza kufanya hivyo? Mbona sisi tunashindwa kufanya vile Zanzibar inafanya? Iko haja Serikali yetu ikisema jambo kuwaambia wananchi wa Kenya, tuwe wadogo, tunaamini kile tunachosema, ama tunajitoea dhamana kwa wananchi wa Kenya, maanake inaonekana tunasema mengi na yale tunayofanya ni kidogo.

Bw. Naibu Spika, jambo lingine ambalo ningetaka kulitaja kidogo ni kwamba sisi huwa tunawaambia watu wetu vijijini ama kule mashambani, wakati umefika wa kutoamini hayo madawa ya mizizi ama waganga ambao hawajafundishwa au hawajui ni kiasi gani cha zile dawa wanazotoa au ni za maradhi gani. Sasa watu wanalazimika kuenda huko na sababu kubwa inayowafanya watu kuwaamini wale waganga ni haya malipo. Kwa hivyo, Hoja hii ni muhimu sana na tunaomba Serikali ikubali kuondoa haya malipo ambayo kila mara tunaambiwa ndio yatasaidia kuleta dawa.

Bw. Naibu Spika, hata baada ya wagonjwa hao kulipa ili watibiwe, hawapati dawa katika vituo hivyo vya afya. Pia wanaulizwa kama wameleta vitabu vya kuandikiwa dawa kwa sababu wakikosa, muuguzi atashindwa kuwaandikia dawa ambazo pia hazipatikani hapo. Ninafikiri hili ni ombi nzuri na tungetaka Serikali isilipinge kwa sababu ya kupinga tu, lakini ikubali kwamba kuna haja ya kushughulikia yale mambo matatu ambayo ndio azimio ya Serikali yetu, yaani maradhi, ujinga au kutojua kusoma na umaskini. Jambo hili likitendeka, bila shaka watu wetu watakuwa na imani kubwa kwa Serikali yao kuliko sasa.

Tunasema kwamba tunataka kuondoa umaskini. Umaskini utaondoka vipi ikiwa nusu ya idadi ya watu wetu ni wagonjwa na wanyonge? Hawawezi hata kujisaidia wao wenyewe. Ninaamini kila mmoja wetu anakubali kwamba afya ya mwanadamu au Mwanakenya ni muhimu sana. Kwa hivyo, tuondoe kila kikwazo ambacho kitamfanya

mwananchi yule asipate huduma hizi katika vituo vyetu vya afya vilivyoko hapa nchini.

Bw. Naibu Spika, nilitaka kuongeza mambo hayo machache na kuomba Wizara ya Afya ielewe kwamba hatukuja hapa kupinga au kuwashtaki kuwa hawafanyi kazi, la. Hata kama ni kuomba pesa zaidi, afadhali Bunge likubali ombi hilo ili afya za watu wetu iwe nzuri zaidi.

Kwa hayo machache, ninaunga mkono.

Mr. N. Nyagah: Thank you, Mr. Deputy Speaker, Sir, for giving me this opportunity to make my contribution towards this Motion. It is the right of the Government of the day, be it the one that is on today, or the one that will come next year, to provide health services for its people. Priority must be given to this Ministry which is extremely important to the lives of Kenyan citizens. Unfortunately, the Kshs18.3 billion that was given in the current financial year was far from enough; constituting 5.7 per cent of the total national Budget. As you know, the recommendation by the WHO requires that 15 per cent of the national Budget should go to the health sector. We have fallen short of that requirement. Because of the nature of the current situation in Kenya where Kenyans have become extremely poor, 56 per cent living below the poverty line, it has become impossible for Kenyans to get this facility on health. Therefore, Kenyans use most of their income catering for their health services. This is something that needs to be addressed. As to whether this scenario will change, we cannot tell. At the moment, it is not workable. But it is proper that the Government looks for ways of getting rid of the cost-sharing.

Mr. Deputy Speaker, Sir, we know that 50 per cent of our bed capacity currently is occupied by people who have HIV/AIDS. We have a 50,000 bed capacity in this country and we have 400,000 people who currently require anti-retroviral drugs. What are we likely to do to ensure that our people get health services? One, district boards must come up with realistic figures that are commensurate with the income of the people. Today, the figures may be too high for the people to afford.

Mr. Deputy Speaker, Sir, the other one is that the donor community, that has been supportive of medical care in this country, must accept the problems that this country is going through. Some of the conditions that they give, for instance, bringing in their personnel who have to be paid by this donation---

ADJOURNMENT

Mr. Deputy Speaker: Hon. Members, it is now time for us to interrupt the business of the House. The House, therefore, stands adjourned until this afternoon at 2.30 p.m.

The House rose at 12.30 p.m.