

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 24th October, 2000

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.629

ACTION AGAINST DRIVER OF VEHICLE NO.KAL 447P

Mr. Obwocha asked the Minister of State, Office of the President:-

- (a) whether he is aware that Pamella Monyangi Onsomu was knocked down by a vehicle, Registration No.KAL 447P (Toyota) on 29th April, 2000 at Kangemi Shopping Centre; and,
- (b) which police station the accident was reported to and what action has been taken against the driver of the said vehicle.

Mr. Speaker: Anybody from the Office of the President? Next Question!

Question No.248

KILLING OF MESSRS. OGWEL AND OJWUNGU

Mr. Speaker: Mr. Onyango is not in? Next Question!

Question No.622

FATE OF MR. OKOTH

Mr. Speaker: Prof. Anyang'-Nyong'o is not here? Next Question!

Question No.165

MEASURES TO FACILITATE EARLY PLANTING IN MASINGA

Col. Kiluta asked the Minister for Agriculture:-

- (a) whether he is aware that due to persistent drought in Masinga Constituency, wananchi have no seed to plant during the coming rains; and,
- (b) what urgent steps he is taking to facilitate early planting in Masinga.

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

(a) I am aware that a significant number of wananchi in Masinga Constituency will have inadequate or no seed to plant during the October/November rains due to persistent drought in the area. This drought has affected most areas of the country, particularly in the North Eastern and Central Kenya.

(b) My Ministry has already made an appeal to some donors, who include the World Food Programme and Food and Agricultural Organization (FAO), for food assistance to households in the affected areas, who will be negatively affected and who will not be able to afford seed during the October/November rains. We have received a positive response from the German Government, through the German Agro-Action, who have promised to provide 250

metric tonnes of assorted seeds to the following areas: Yatta, Katangi, Ndithini and Masinga. The types of seed to be provided include maize, beans, cow peas, pigeon peas, sorghum and green grams, which will be provided to the most deserving areas.

Col. Kiluta: Mr. Speaker, Sir, while I appreciate the answer given by the Assistant Minister, which gives some hope, he does not tell us when the World Food Programme and the German Agro-Action will provide the seeds. Could he be specific, so that we may know when to expect for them?

Mr. Sumbeiywo: Mr. Speaker, Sir, we do not have a specific time, but my Ministry is working round the clock to make sure that we get the seeds before the next rains come.

Mr. Ndilinge: Mr. Speaker, Sir, is the Assistant Minister aware that the reason why we do not harvest anything in Ukambani is because the planting seeds are brought by the Government after the rains have come and gone?

Mr. Sumbeiywo: Mr. Speaker, Sir, that is not the case because if the residents request to be provided with seeds in time, that will be done.

Mr. Katuku: Mr. Speaker, Sir, the problem of lack of seeds is not peculiar to Masinga and Yatta. This is a problem in all parts of the country. The Assistant Minister has not told us what programmes they have put in place. When is the Government going to provide us with seeds?

Mr. Sumbeiywo: Mr. Speaker, Sir, it is true that there is a serious drought in most areas of the country, particularly in North Eastern Province, Eastern Province, Central Province and in some parts of the arid and semi-arid areas of the Rift Valley Province. Most drought-resistant crops are normally bred at the National Dryland Farming Centre, Katumani. The policy of the Government is to ensure that the seed which is grown in the arid and semi-arid areas is bred in this area and distributed to the farmers. However, the seed that is distributed may not reach all the farmers. There are some farmers who are able to afford this seed, but the Government provides, free of charge, most of the seed in these particular areas.

Mr. Anyona: Mr. Speaker, Sir, the question of lack of seed is a nationwide problem. But the Assistant Minister is not coming out clearly to tell us what caused this shortage of seed and, secondly, what the long-term policy is to produce seed. If you say there was drought and you wait until the rains come and you have no seed, it defeats any logical operation. How are we going to correct this problem in future?

Mr. Sumbeiywo: Mr. Speaker, Sir, it is true as hon. Anyona has put it, that we were caught unawares. The amount of seed that was produced at this particular moment was enough to go round in the arid and semi-arid areas. But then, the drought persisted in the areas that we thought were not going to be affected by the drought. So, the distribution was not even.

Mr. Speaker: Mr. Kiunjuri!

*(Col. Kiluta and Mr. Angwenyi
stood up in their places)*

Order! Order, all of you! The drought does not affect Masinga only! In fact, in Mr. Angwenyi's area, it is not even there.

Mr. Kiunjuri: Mr. Speaker, Sir, it is good to hear from the Assistant Minister say that he is providing seed to those agricultural areas in the country. But what is the Ministry doing to ensure that pastoralists are also assisted?

Mr. Sumbeiywo: Mr. Speaker, Sir, hon. Kiunjuri should be very grateful because the Government allowed pastoralists to graze in Mount Kenya. So, we allow them to graze their animals in the forest.

Mr. Speaker: Next Question!

Mr. Angwenyi: This is a very important matter, Mr. Speaker, Sir!

Mr. Speaker: Order, Mr. Angwenyi! You will learn to respect the decisions of the Chair.

Next Question!

Question No.447

RELOCATION OF CENTRAL
KENYA SHOWGROUND

Mr. Speaker: Mr. Kihoro here? Next Question!

Question No.265

LAND PURCHASES BY KENYA PORTS AUTHORITY

Mr. Maitha asked the Minister for Information, Transport and Communications:-

- (a) how much money the Kenya Ports Authority used in purchasing land for the last five years;
- (b) how many pieces were purchased and where they are located; and,
- (c) what use the Authority is planning for all this land.

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

(a) The Kenya Ports Authority has spent a total of Kshs36,860,000 in the last five years, between July 1994 to October 2000, in the purchase of land.

(b) The Authority has purchased land totalling 13.214 hectares from various vendors. The land is located in Malindi, Kilifi, Shimoni, Kwale, Miritini near Mombasa and Likoni in Mombasa. I have a schedule here which indicates the location of the land and from whom it was purchased which I shall table.

(c) The Authority is planning to use the purchased land for future development of port facilities and the port oriented industry such as EPZ. The Authority had no land of its own in these areas.

Mr. Maitha: Mr. Speaker, Sir, as you know, KPA has been facing financial difficulties for a long time and yet, it purchased land worth this amount. Could I know from the Assistant Minister the criteria used by KPA to purchase the said land? Did it advertise?

Mr. Keah: Mr. Speaker, Sir, the KPA needed the land and there were people who were willing to sell their land to KPA. That is how the land was bought.

Mr. Muchiri: Mr. Speaker, Sir, about four years ago, some people died in a tragic ferry accident in Mtongwe. Have the relatives of those people been paid compensation by the KPA before it considers buying this land?

Mr. Keah: Mr. Speaker, Sir, I do not think this Question is on the ferry accident. But the land was bought and paid for by the KPA. However, I have got information that the relatives of those people who perished in the ferry accident have been paid.

Mr. Mwakiringo: Mr. Speaker, Sir, could the Assistant Minister confirm or deny that these plots were sold in a clandestine manner to the politically-correct individuals in this country? Recently, the KPA off-loaded the housing units in Likoni. For what development will the monies accruing from the sale of those assets be used?

Mr. Keah: Mr. Speaker, Sir, I do not know who these politically-correct people are because I do not have a definition for such people in this country. But certainly, I can state for a fact that the land purchased in Malindi and Kilifi was meant for development of the Malindi Small Port where the KPA had no land. The land in Shimoni was for the development of Shimoni small port while the land at Miritini was acquired for the development of Export Processing Zones and other port-related industries. The Likoni land was acquired by the KPA for security reasons.

Mr. Mwakiringo: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to refuse to mention the names of those people who sold land to the KPA?

Mr. Speaker: Order, Mr. Mwakiringo! I thought that document was tabled. Proceed, Mr. Keah!

Mr. Keah: Mr. Speaker, I did table that document for the benefit of the hon. Members because it contains all the information that is required to answer this Question.

Mr. Maitha: Mr. Speaker, Sir, one of the allottees mentioned in this schedule, tabled by the Assistant Minister, is Mr. Kathurima who was a Permanent Secretary in the Office of the President. Could the Assistant Minister tell us how this man bought land which belonged to the KPA, and sold it back to the KPA?

Mr. Keah: Mr. Speaker, Sir, I was not part and parcel of the purchase and sale transactions. I have clearly answered the Question put by the hon. Member. If I had been privy to the nitty-gritty of the purchase and sale of the land, I would be in a position to answer that supplementary question.

Mr. Muihia: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to refuse to answer the question by behaving as if he is the one who sold the land to KPA? Could he answer the question put to him rather than--

Mr. Speaker: Order, Mr. Muihia! That is not a point of order!

*Question No.575*SLOW INDUSTRIAL GROWTH WITHIN
ATHI RIVER EPZ

Mr. Kaindi asked the Minister for Tourism, Trade and Industry:-

- (a) whether he is aware that the rate of industrial growth within the Export Processing Zone, Athi River, has been very slow;
- (b) whether he could explain what has hindered this growth; and,
- (c) what steps he is taking to rectify the situation.

The Assistant Minister for Tourism, Trade and Industry (Mr. Ekirapa): Mr. Speaker, Sir, I beg to reply.

- (a) I am not aware.
- (b) In view of my answer to (a) above, part (b) does not arise.
- (c) The following measures are being taken to expand production rather than rectify failures in the Export Processing Zone (EPZ) system as posed by the Question: Streamlining of the Customs procedure; addressing power shortages and communication problems; utilization capacity to meet the AGOA requirements; extension of licence to private investors in EPZ; and improvement of the efficiency of the port and infrastructure, in collaboration with line Ministries.

Mr. Kaindi: Mr. Speaker, Sir, the Government of Kenya commissioned Mugoya, Sogea and Index construction companies to undertake the construction of EPZ facilities at Athi River for over Kshs700 million which rose, through unorthodox variations, to Kshs1.1 billion. Is the Assistant Minister satisfied that, after such expenditure, Kenyans are proud of the EPZ which has got only six operating industries?

Mr. Ekirapa: Mr. Speaker, Sir, Kenyans are very proud of the progress achieved at the EPZ, especially the one at Athi River. The Athi River EPZ is a public zone built with funding from the Government of Kenya and the World Bank, to support the Export Promotion and Industrialisation Strategy which the Government has adopted. The EPZ has two facilities available for lease to investors that is, industrial buildings and industrial land. Hon. Members should note that the Athi River EPZ is a development project which took the interests of the local community into account, by providing infrastructure of roads and a power sub-station, water and sewerage for the entire Athi River region. It should also be noted that the economy has been going through a difficult stint, with a growth rate of 2 per cent. However, the Athi River EPZ has been growing at the rate of 14 per cent per year, while the overall growth for all the zones is 30 per cent per year for the last five years. This is a factor which was noted in the 1999 Economic Survey. The Athi River EPZ currently occupies an area of 113,928 square metres. As far as land is concerned, the total area available is 62 hectares and 24 per cent of this land has already been occupied. That is a very encouraging development.

Mr. Wamalwa: Mr. Speaker, the Question alleges that industrial growth in that area has been slow. The Assistant Minister has gone to great lengths to show that it has been growing at 14 per cent. Could he, in concrete terms, tell this House how much production is coming out of that EPZ, how many people have been employed there and how much they are making in terms of a livelihood?

Mr. Ekirapa: Mr. Speaker, Sir, I cannot give specifics on the number of people who have been employed and the amount of money they are earning, but I can demonstrate that a number of companies operating at the EPZ have increased substantially. That must have increased the earnings of the Kenyans employed there.

Mr. Raila: Mr. Speaker, Sir, the EPZ is supposed to promote manufacturing of goods for export purposes. These zones are not supposed to be dependent on the growth of the local economy. We are supposed to aim at the export market. Could the Assistant Minister tell this House why only six sheds are operating in that zone instead of the original 20 sheds? Could he also tell us how many Kenyans are currently employed in the EPZ?

Mr. Ekirapa: Mr. Speaker, Sir, I have already said that the number of Kenyans employed in the EPZ depends on the number of operating companies. In 1994, the EPZ employed 2,720 Kenyans, and by last year, it had employed 5,164, which is a substantial improvement.

Mr. Raila: Mr. Speaker, Sir, we are specifically talking about the Athi River EPZ. Could the Assistant Minister tell us about the Athi River EPZ?

Mr. Ekirapa: Mr. Speaker, Sir, the growth of the EPZ has been hindered by a number of factors. These include the quotas imposed by the Government of the United States of America. The US Government slapped a quota on pillow cases and shirts---

Mr. Wamalwa: On a point of order, Mr. Speaker, Sir. The Assistant Minister in his original answer to "a", said that he was not aware. Now he is purporting to give us the reasons why industrial growth in that area has been slow. Is he really in order to blow both hot and cold at the same time?

Mr. Speaker: Order! Order! Mr. Wamalwa, that is not a point of order. It is a question of logic. Whether it is logical or illogical, it is not for me to judge. It is for the House to do so.

Proceed, Mr. Assistant Minister!

Mr. Ekirapa: Mr. Speaker, Sir---

(Mr. Wamalwa stood up in his place)

Mr. Speaker: Order, Mr. Assistant Minister!

Mr. Wamalwa: Mr. Speaker, Sir, I have paid my due deference to the Chair. But if the Assistant Minister is leading this House into an illogical situation, does it not become a matter of order?

Mr. Ekirapa: Mr. Speaker, Sir, if the hon. Member had been listening to me, he would have heard me say that the number of companies has increased from 1994 to date. I have also explained that number of employees has risen from 2,720 to 5,164. I said that the levels of growth which were initially anticipated have not been reached because of the background I wanted to give before the hon. Member interrupted me.

Thank you.

Mr. Speaker: Very well! I still have some late-comers on the ordinary Questions I must revisit. Hon. Obwocha's Question for the second time!

Question No.629

ACTION AGAINST DRIVER OF
VEHICLE NO. KAL 447P

Mr. Obwocha asked the Minister of State, Office of the President:-

- (a) whether he is aware that Pamela Monyangi Onsomu was knocked down by a vehicle, Registration No. KAL 447P (Toyota), on 29th April, 2000 at Kangemi Shopping Centre; and,
- (b) which police station the accident was reported to and what action has been taken against the driver of the said vehicle.

The Assistant Minister, Office of the President (Mr. Samoei): Mr. Speaker, Sir, I apologise for coming late, and beg to reply.

(a) I am aware that Pamela Monyangi Onsomu was knocked down by a vehicle on 29th April 2000, at Kangemi Shopping Centre.

(b) The accident was reported to Kabete Police Station and investigations on that accident are incomplete. The investigating officer was unable to trace the residence of Ms. Onsomu because when she was taken to hospital, she was unconscious and the policemen could not get her details. Unfortunately, she left the hospital before a statement was recorded from her by the investigating officer. That is what has delayed the investigation process.

Mr. Obwocha: Mr. Speaker, Sir, unfortunately, I do not have my notes here because of the programme we have for our colleague, the late Magara. When this accident was reported to Kabete Police Station, the policemen there refused to take the statement. This is basically why I filed the Question. I would like to ask the Assistant Minister to tell us why he has not arraigned in court the owner of that car, KAL 447P. Who is the owner?

Mr. Samoei: Mr. Speaker, Sir, I do not have the particulars of the owner of that car. But, as I said, it is held together with the investigations, which are not complete, as a result of the unavailability of that lady to make the necessary statement to enable the police to continue with this case.

Mr. Ndilinge: Mr. Speaker, Sir, arising from the reply given by the Assistant Minister, it appears that the reason why this case was not investigated was because the investigating officer was not able to trace the victim. Now that the hon. Questioner knows the victim, can the Assistant Minister direct the investigating officer, through the hon. Member, to get in touch with the victim and then start fresh investigation into the case?

Mr. Samoei: Mr. Speaker, Sir, that is very much in order. In fact, I do request the hon. Member to kindly ask that lady to report to the Divisional Traffic Officer, Parklands, so that this issue can be taken care of.

Dr. Ochuodho: On a point of order, Mr. Speaker, Sir. The Assistant Minister is insisting that, without the lady recording a statement, they cannot take action. Personally, I was arrested, arraigned in court and convicted without anybody making a formal report. Is he in order to insist that the lady must report the matter before action can be taken, when he has the facts from hon. Obwocha? In other cases, they do not insist that people must report before action is taken.

Mr. Speaker: That is not a point of order! It is a point of argument.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, the Kangemi area, and Waiyaki Way around the area in which that accident took place, is a black spot for accidents and many fatal accidents occur there. Is the Assistant Minister aware that just over the flyover in Kangemi - the one going to Loresho and coming down to Waiyaki Way - that part of the road has been turned into an open-air market and people are selling their wares there? That is one of the reasons why so many people are killed in that area. What steps is the Government taking to ensure that Waiyaki Way, and that particular area, is safe for both road users and pedestrians alike?

Mr. Samoei: Mr. Speaker, Sir, that is a very important issue raised by the hon. Member. Through the Ministry of Local Government, we have asked the Nairobi City Council, who are the licensing authority for hawkers and vendors of small wares, to step in and man that area so that we can have order in the interest of both pedestrians, vendors and the general public.

Mr. Speaker: Very well! Next Question, for the second time, Mr. Onyango!

Question No.248

KILLING OF MESSRS. OGWEL AND OJWUNGU

Mr. Onyango asked the Minister of State, Office of the President whether he could inform the House the progress made in the investigations and apprehending of the criminals who attacked and killed Messrs. Silfanus Okumu Ogwel and Domianus Ochieng Ojwungu on 3rd March, 2000, at Githogoro Estate near Runda.

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

Three suspects have been arrested and charged with the murder of the two victims; Messrs. Silfanus Okumu Ogwel and Ochieng Ojwungu. The matter is pending in court.

Mr. Onyango: Mr. Speaker, Sir, could the Minister tell this House the names of the three people who have been charged? Why were only three people charged and yet, there were many people who were involved?

Mr. Samoei: Mr. Speaker, Sir, Anthony Kamau, Peter Musyimi and Caroline Atieno have been arrested and eventually charged in court for the murder of the two victims. As I said, the matter is pending in the High Court in Nairobi vide court file No.604 of the year 2000.

Mr. Speaker: Very well! Next Question, for the second time, Prof. Anyang'-Nyong'o!

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I apologise for having not been here when the Question was first called.

Question No.622

FATE OF MR. OKOTH

Prof. Anyang'-Nyong'o asked the Minister of State, Office of the President:-

(a) whether he could explain to the House what has happened to Peter Okoth, a student of Indore University in India; and,

(b) why the student was not able to attend his mother's and father's funeral in March, 1999.

The Assistant Minister for Education, Science and Technology (Dr. Wamukoya): Mr. Speaker, Sir, I beg to reply.

(a) Mr. Peter Okoth Odongo, a Kenyan citizen who was a student of Devi Ahilya Viswavidyalaya, Indore University, is currently serving a custodial sentence of ten years, having been found guilty of raping a fellow female Kenyan who is also a student. The said act was committed on 16th March, 1999.

(b) The said student was not able to attend his mother's and father's funeral in March, 1999 as he was then in police custody awaiting trial.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, this House and myself cannot in any way condone or even make excuses for the very painful crime of rape. But since Mr. Odongo is a Kenyan citizen and a student, could the Assistant Minister explain to this House whether the Government of the Republic of Kenya did retain a counsel during the trial of Mr. Odongo, and whether the Government of Kenya, through that counsel, was satisfied that both the trial and the custodial sentence were fair?

Dr. Wamukoya: Mr. Speaker, Sir, twice, our Mission in India tried to arbitrate between the two parties, but the lady rejected the arbitration. So, the case went ahead. At the same time, the Mission in India wrote a letter to the Ministry of Foreign Affairs and International Co-operation, for the relatives of Mr. Okoth to be contacted, so that they could hire a lawyer to represent him in that case, which they did not do.

Mr. Gatabaki: Mr. Speaker, Sir, is the Assistant Minister aware that there are many cases where Kenyan citizens have been murdered, or have died in questionable circumstances in India, and that the Indian Government either did very poor investigations or did not carry out any investigations at all? Many of our students in India are having very bad times and, indeed, dying in big number. One of those victims is my cousin, whom we buried a week ago.

Hon. Members: What is your question?

Mr. Gatabaki: Mr. Speaker, Sir, I am asking the Assistant Minister whether he is aware that Kenyan citizens in India are having a very rough time.

Mr. Speaker: What kind of rough time are they having, Mr. Gatabaki?

Dr. Wamukoya: Mr. Speaker, Sir, we have very many Kenyan students in India. We have had a few cases where students got into problems but, generally, we are satisfied that our students are doing well in India.

Mr. Speaker: Ask your last question, Prof. Anyang'-Nyong'o.

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, this is a very serious Question.

Mr. Speaker: Order! Order! Do your job; let me do mine!

Prof. Anyang'-Nyong'o: Mr. Speaker, Sir, I do respect your job, but this is a very serious Question. I asked the Assistant Minister whether the Kenyan Government retained a counsel for the student during that trial. The Assistant Minister can remember that, in 1988, an American officer called Sergeant Sundstrom was charged in a Mombasa court with the murder of a Kenyan woman called Njeri. The American Embassy in Nairobi then retained a counsel to represent that young man, who went away almost scot-free for the crime he committed. Is it true or not that the Kenyan Government did not retain a counsel in India for Mr. Odongo's case, who ended up getting a custodial sentence? If a counsel had been retained, the student could have been extradited to Kenya and tried on Kenyan soil.

Could the Assistant Minister confirm or deny the fact that a counsel was not retained by the sovereign State of the Republic of Kenya?

Dr. Wamukoya: Mr. Speaker, Sir, I have said that the sponsors of the student, one of whom is hon. Anyang'-Nyong'o, were informed.

Prof. Anyang'-Nyong'o: On a point of order, Mr. Speaker, Sir. I am not the sponsor of the said student! I am the hon. Questioner!

Dr. Wamukoya: Mr. Speaker, Sir, as I said, our Mission in India contacted the Ministry of Foreign Affairs and International Co-operation; to ask the sponsors to pay 20,000 Indian Rupees, so that a lawyer could be hired to represent the student in court, but this was not done.

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

Mr. Speaker: I am sorry, I will not allow it; we are running out of time.

Mr. Kihoro's Question for the second time.

Question No.477

RELOCATION OF CENTRAL KENYA SHOWGROUND

Mr. Speaker: Mr. Kihoro still not here? The Question is dropped.

(Question dropped)

QUESTIONS BY PRIVATE NOTICE

LAND ALIENATION BY KENYA WILDLIFE SERVICE

Mr. Maore: Mr. Speaker, Sir, I beg to ask the Minister of State, Office of the President, the following Question by Private Notice.

(a) Could the Minister inform the House why Kenya Wildlife Service has alienated 640 square kilometres of land, vide Legal Notice No.86, from Nyambene National Reserve, without the consent of farmers and clan elders?

(b) Could he de-gazette the said Notice to enable farmers utilise the land for grazing and farming?

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

(a) The gazettment of the 640 square kilometres of Nyambene National Reserve, vide Legal Notice No.86, was in line with the Wildlife Conservation and Management Act, Cap. 376, Laws of Kenya, Section 18(1), in collaboration with Nyambene County Council as the competent authority.

(b) We cannot de-gazette the said portion of land, because the Council considered and approved the National Reserve for purposes of conservation of flora and fauna as heritage for the current and future generations, something which cannot be achieved through grazing and farming.

Mr. Maore: Mr. Speaker, Sir, the Assistant Minister's answer to part (a) of my Question is that the Minister did gazette the said land after consultation with councillors only. I did not question that. I am asking about the farmers and the people who graze their livestock on that land. The men and women from that area have sworn that if the Kenya Wildlife Service (KWS) dares to put even a single wild animal on that land and they fail to kill it, they will be

circumcised again.

Mr. Achola: On a point of order, Mr. Speaker, Sir. Is it possible for one to get circumcised twice?

Mr. Speaker: Ask him!

Mr. Achola: Yes; I would like to find out whether it is possible to do so, Mr. Speaker, Sir.

(Laughter)

Mr. Maore: Mr. Speaker, Sir, you know, when---

Mr. Speaker: Mr. Maore, please, let us leave that story alone.

Mr. Maore: Mr. Speaker, Sir, I would like to leave the circumcision story alone and ask the Assistant Minister whether he is aware that he is telling this House nothing but untruths, by saying that there is flora and fauna in the said 640 square kilometres. There is not even a single wild animal in that land that the KWS can talk about! The KWS intends to introduce some wildlife to that land. Could the Assistant Minister lay on the Table the population census report of the animals the KWS intends to conserve and preserve on the said piece of land, and state whether that action was not taken because of the little money that was given to the KANU councillors of Nyambene Country Council?

Mr. Samoei: Mr. Speaker, Sir, I stand by the answer that I gave to this Question. The particular exercise, and the eventual gazettelement of the said piece of land, was done in consultation with Nyambene Country Council, which is the competent authority recognised by the Act. I do not think that the Council has changed its mind as far as this issue is concerned. In case the Council changes its mind, it knows what to do.

Mr. Maore: Mr. Speaker, Sir, I have not - not even in the Question - questioned the legitimacy of Nyambene County Council. My Question is about the voters who sent me here to represent their interests. Within two days, I collected 5,000 signatures of people who were protesting against the gazettelement of that land. Under what provision in the Act can the Minister, forcefully, acquire that land because the KWS has bribed about 12 councillors, who are moving around the local authority, pretending that they want a game reserve? We do not need it!

Mr. Samoei: Mr. Speaker, Sir, I believe that the voters who sent hon. Maore here are the same ones who voted for the councillors, who actually approved the gazettelement of the said piece of land.

Mr. Speaker: Very well; let us have the last supplementary question on this Question.

The Assistant Minister for Education, Science and Technology (Mr. Karauri): On a point of order, Mr. Speaker, Sir. Hon. Maore is not the only Member of Parliament from Nyambene District. He cannot rightly claim that his constituents should be consulted before the gazettelement of that land. We are four Members of Parliament from that District, and we support the gazettelement of that land.

Mr. Maore: Mr. Speaker, Sir, the Chairman of the Nyambene County Council happens to be Mr. Karauri's voter; he is not my voter. Secondly, 80 per cent of the total volume of land involved happens to be in Ntonyiri Constituency, and my councillors are not part of it. Are we going to have forceful acquisition of that piece of land by not involving the local farmers and the people who graze their animals on it, so that they lose their land to a couple of KANU councillors under the guidance of hon. Karauri?

Mr. Speaker: Order! I do not know what to do when questions become too parochial.

The last one, Mr. Ndicho!

Mr. Ndicho: Mr. Speaker, Sir, looking at this Question, the KWS is employing expansionist tendencies; going into people's land and acquiring it forcefully. A Question on Nziu Hills was one time brought here by hon. Mboko. In my constituency, we have the Kilimambogo National Reserve, where the KWS had taken - on a very big perimeter - so much of land without the consent of the local people. The same is now happening in Ntonyiri.

Could the Assistant Minister tell us whether it is a new policy of the KWS to expand their boundaries and acquire people's land? Is it the people who should go into the KWS land, or is the KWS caring for their animals more than our people?

Mr. Samoei: Mr. Speaker, Sir, I do not think that there is any change of policy. As I said, in the Nyambene case and in other cases, we will keep to the law until it is amended.

THEFT OF RELIEF FOOD IN LAIKIPIA

Mr. Kiunjuri: Mr. Speaker, Sir, I beg to ask the Minister of State, Office of the President the following Question by Private Notice.

(a) Is the Minister aware that some agents appointed by the World Food Programme (WFP) to distribute food to the hungry starving families in Laikipia District are colluding with the administration to steal food meant for the

families?

(b) Could the Minister consider stationing an Anti-Corruption Unit in the District to investigate the syndicate as a matter of urgency?

The Minister of State, Office of the President (Mr. Nassir): Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that some agents appointed by the World Food Programme in collusion with the administration, have stolen food meant for the hungry starving families in Laikipia District.

(b) I am aware that the Laikipia District Social Dimension of the Development Committee, which comprises of all stakeholders, has distributed the food to the needy people as required. I am not aware of any malpractice which would warrant the stationing of the Anti-Corruption Unit in the district. **Mr. Kiunjuri:** Mr. Speaker, Sir, I would like, to thank the Minister for being very generous in giving food to starving people, but I am also very sorry because he is unable to follow up the distribution of that food. It is common knowledge to all Kenyans that whenever you give the function of distributing anything - even the air - to the Provincial Administration, they will steal. That is happening in Laikipia District, and I have evidence from the agents themselves; where they have been lured by the DC's office and asked to collude in order to share out the stolen food, but they have refused. Sin minus opportunity is sin.

Could the Minister now order that the DC's office should not be involved in the supply of relief food to the people of Laikipia District?

Mr. Nassir: Mr. Speaker, Sir, I hoped that my colleague would point out to me that a particular person is a thief, even if it is the DC and other officers. But in telling me to exclude all the officials of the Provincial Administration from the relief food distribution, I do not know which hand I can use, for I cannot do that.

Mr. Kiunjuri: Mr. Speaker, Sir, I thought that the Minister being in the Office of the President - and the Minister responsible for the Provincial Administration being also in the Office of the President - could be able to know that the DC for Laikipia is, Mr. William Kurumei--- I thought the DC would be in a position to give the Minister information on all the chiefs, and their assistants, who are involved in the theft of relief food. They are so many that the other day, I complained that even if you give them food, it would not be enough.

Mr. Nassir: Mr. Speaker, Sir, I would be very pleased to help my colleague in order to ensure that we eradicate theft of relief food. But nobody has so far pointed out to me those who are involved, either the DC, the DO or chiefs, in the theft of food, so that I can take action against them.

Mr. Wanjala: Mr. Speaker, Sir, the Minister is not serious, and he is taking this House for a ride. He is telling us to be very brief, and yet, he was given that Question in advance, so that he could investigate the issue. But it seems that he has not done any investigations, and that is why he is telling us to give him information. Already, he has been given information and, therefore, he should have investigated the matter. Is he in order to mislead this House?

Mr. Nassir: Mr. Speaker, Sir, I promise that I will carry out thorough investigations. I will use the police, the Administration Police officers, the National Security Intelligence Service officers---

(Laughter)

But will be much more helpful, if they give me a helping hand!

Mr. Kamau: Mr. Speaker, Sir, at least, people in Laikipia District are fortunate that they have been given food by the WFP, but it is being stolen. What criteria is used by the WFP in identifying areas in need of relief food?

In Central Province, for the last two years, we have been hard hit by drought, and hungry people are always hungry, irrespective of whether they are in Laikipia, Turkana or in North Eastern Province. What programmes has the Government put in place to feed the people of Central Province?

Mr. Speaker: Order! Mr. Kamau, instead of hijacking Mr. Kiunjuri's Question, why do you not ask one of your own, so that I can approve it and then, it will be relevant? So far, it is irrelevant!

Mr. Wamalwa: Mr. Speaker, Sir, in my opinion, the Minister's previous answer, that he will use all means available to investigate that story, shows that the Minister was not equipped to answer this Question today because he has not carried out investigations, and he intends to do it some other time.

Mr. Speaker, Sir, would I be in order to suggest that this Question be postponed until the Minister carries out his investigations, and, then, he can bring a comprehensive answer to this House?

Mr. Speaker: Mr. Nassir, what is your response to that?

Mr. Nassir: Mr. Speaker, Sir, I would not mind carrying out all the investigations, and to say all that is required, but my colleague should give me proper information; that a particular person is a thief.

Mr. Speaker: Very well. I will defer this Question to Tuesday next week.

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. Is it in order for the Minister to continue distinguishing himself as the best distributor of food instead of being the best distributor of seeds, so that we can eradicate poverty in our country?

(Laughter)

Mr. Speaker: Mr. Minister, forget about that. It is irrelevant to the Question. Mr. Kiunjuri, is Tuesday, next week, all right with you?

Mr. Kiunjuri: Yes, Mr. Speaker, Sir.

(Question deferred)

IMMINENT CLOSURE OF SONY SUGAR COMPANY

(Mr. Ochilo-Ayacko) to ask the Minister for Agriculture:-

(a) Is the Minister aware that South Nyanza Sugar Company Limited is facing imminent closure as a result of cash flow problems arising from lack of cane?

(b) What remedial measures has the Minister put in place?

Mr. Speaker: Sorry, Mr. Ochilo-Ayacko! I am afraid that I must defer your Question. Which day suits you; tomorrow morning, tomorrow afternoon, or Thursday this week?

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, tomorrow morning suits me.

Mr. Speaker: Let me check whether the Order Paper is out.

(Mr. Speaker consulted with the Clerk)

Mr. Ochilo-Ayacko, if it suits you, I will put your Question on tomorrow morning's Order Paper?

Mr. Ochilo-Ayacko: Mr. Speaker, Sir, it is suitable.

(Question deferred)

REPAIR OF SIGIRI FERRY

(Mr. Wanjala) to ask the Minister for Roads and Public Works:-

(a) Is the Minister aware that Sigiri Ferry in Budalang'i Division, Busia District, on River Nzoia, which connects the Northern and Southern Bunyala, has broken down making communication in this flood-prone division impassable?

(b) What urgent steps is the Minister taking to repair the ferry to ease communication?

(c) Could the Minister consider constructing a bridge on the river to replace the ferry which frequently breaks down?

Mr. Speaker: Mr. Wanjala, would you prefer to ask your Question tomorrow morning or tomorrow afternoon?

Mr. Wanjala: Mr. Speaker, Sir, tomorrow morning.

Mr. Speaker: So be it!

(Question deferred)

COMMITTEE OF SUPPLY

(Order for Committee read being Ninth Alloted Day)

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

Vote 30 - Ministry of Energy

The Minister for Petroleum Energy (Dr. Masakhalia): Mr. Speaker, Sir, I beg to move that Mr. Speaker do now leave the Chair. The Ministry of Energy, whose Development and Recurrent Expenditures are the subject of debate this afternoon, is charged with the responsibility of exploring, exploiting and developing all forms of energy in the country in order to improve the economic and social welfare of Kenya. To this end, my Ministry is committed to ensuring that adequate and reliable supplies of energy are readily available to all sectors of the economy.

(Loud consultation)

The Assistant Minister for Agriculture and Rural Development (Mr. Sumbeiywo): On a point of order, Mr. Speaker, Sir. There is too much noise in the House. We cannot follow the Minister's speech.

Mr. Speaker: Order, hon. Members! We are just beginning our business. Can we pay attention to the business of the House for which we are surely paid?

Proceed!

The Minister for Petroleum Energy (Dr. Masakhalia): Mr. Speaker, Sir, the current power situation, characterised by the rationing, underscores the need to enhance the development of the energy sector. In this age of information technology and hitech, an economy cannot function efficiently without adequate supply of uninterrupted power and petroleum products. The total consumption of energy in Kenya currently stands at 11.7 million tonnage of oil equivalent, of which wood fuel accounts for about 70 per cent; petroleum, 22; per cent and electricity, 8 per cent. I should also, at the outset, draw your attention to the estimated average energy demand growth rate of about 5 per cent per annum. Although commercial energy is 30 per cent of the total demand for energy in the economy, it must be noted that it is critical to the economy, as it caters for the important monetized modern sector of the economy.

The main sources of energy in Kenya are wood fuel, petroleum and electricity. Biomass energy dominates the rural economy and accounts for a major share of the household energy sector. Before I present a breakdown of my Fiscal Year 2000/2001 budgetary requirements let me highlight some of the recent developments in the energy sector. I will begin with the oil sector.

Kenya is a net importer of petroleum products, which are a major source of commercial energy in the country. Over the years, petroleum has accounted for about 8 per cent of the country's commercial energy requirement.

The Government has been actively involved in hydro-carbon exploration since 1954. To date, however, only 30 exploratory wells have been drilled in the country, but 100 more need to be sunk. It is important for Members to note that those countries producing and exporting petroleum products today sunk hundreds of wells across their territory and over many years before they struck oil. We too must be ready to do the same.

Mr. Speaker, Sir, I want to inform the House that on 11th July, 2000 the Government signed an agreement with a British oil exploration company, known as Star Petroleum for oil exploration in three blocks off the Coast of Kenya. In Lamu and Kwale general areas, this exploration will cover both inshore and offshore areas. We hope the efforts will bear fruits. Petroleum product prices were deregulated in October, 1994. Since then oil companies have been free to set consumer prices at both retail and bulk purchase prices for their products. However, it has been observed that the domestic petroleum product markets are far from being competitive as the pace as well as the magnitude of consumer price adjustments are principally determined by the large oil marketers.

The liberalisation of the oil industry has also seen an increase to 40 in the number of active companies licensed to conduct domestic oil trading business. Lately, however, there has been a proliferation of sub-standard filling stations which have been operating without observing the desired safety and environmental requirements. These filling stations pose a high risk to the general public. My Ministry will continue to enforce firmly the laid down regulations for these activities.

Mr. Speaker, Sir, in this regard, I am happy to note that the Minister for Finance, in his Fiscal Year 2000/2001 Budget Speech, raised the penalty for those found engaging in illegal petroleum business practices. In addition, my Ministry has also prepared a new Petroleum Bill for submission to this august House in due course. The draft Bill addresses problems that have emerged in the sector since its liberalisation process began in 1994. The Bill aims at providing a legal framework that covers all petroleum products activities which are principally refining, transportation, licensing, environmental considerations and safety. It also prescribes standards for petroleum operations and provides penalties to deter unscrupulous traders in the sector.

Let me now make a few observations on the electricity sector. Although electricity accounts for 9 per cent of all energy used in the country, it is the critical input in the production process and to the social welfare of Kenyans. It is in view of this that my Ministry through the Kenya Power and Lighting Company, KenGen and the private sector, endeavours to provide reliable and inexpensive power. To date, the existing interconnected generation facilities have an installed capacity of 1,009.4 comprising 674.5 megawatts from hydro-power, 53 megawatts from geothermal power, 281.5 megawatts from thermal power and 0.4 megawatts from wind. In addition, 10 to 40 megawatts are currently being imported from Uganda. The foregoing analysis shows that 67 per cent of our power generation is hydro-based and thus vulnerable to weather conditions. The failure of the short and long rains in the Seven Forks catchment areas in the past two years has resulted in low reservoir levels and a reduction in hydro-electricity. As a result, power rationing became inevitable.

In September, 1999, we were compelled to initiate rationing and in June this year we enhanced the rationing.

The Government has, however, been implanting an emergency power supply programme to address the power generation problem. Through this programme, a number of measures have been put in place which include the following: Enhancing power imports from Uganda to the current daily average of 40 megawatts with up to 20 megawatts during the day and 40 megawatts from midnight to 6.30 in the morning. Additional 12 megawatts from Iber Africa, and an existing ITT which was expected to be available by the first week of November, making a total of 56 megawatts from that plant. The third measure has been the repair of the 30 megawatts retired steam turbine at Kipevu. The fourth measure is the connection of the 2 megawatts from the Mumias Sugar Company plant to the national grid. This is followed by the procurement of 105 megawatts emergency power supply on short time basis from:-

(i) Aggrecko Plant which will produce 45 megawatts. This plant is located at Embakasi.

(ii) Cummins Power Generation Company and Deutz Company, each producing 30 megawatts and their plants are now located at Ruaraka. In order to avert a recurrence of a similar situation in the future, my Ministry has formulated a least-cost development plan, which relates the demand for energy which is estimated to grow at 5.1 per cent annually to the generation capacity. After factoring in all the commuter generation plants in the period, 2000 to 2003, it is expected to add to the generation capacity 318 megawatts. Kenya is expected to have a generation capacity surplus under normal hydrological conditions until the year 2007. That is when these plants will begin to generate electricity.

Some of the plants that will generate power shortly will be Olkaria II, which will produce 12 megawatts during the first stage. The first five units - one at Nakuru and the other one at Eldoret will produce 55 megawatts by the year 2001; Olkaria II, will generate 32 megawatts in the first unit by the year 2002, while Olkaria II will also produce 32 megawatts by November, 2002. Kipevu II will produce 7 units of 10.57 megawatts each by August 2001 while; Olkaria III will produce 2 units of 32 megawatts by July, 2003 and Sondu Miriu will produce 2 units of 32 megawatts each by October, 2003.

In addition to the committed plans, my Ministry will undertake the following activities in order to meet our future electric power requirements:-

(i) Detailed design of Sondu Miriu additional power plant will produce 21 megawatts to be executed up to the tender stage for anticipated commissioning in the year 2007.

(ii) Preparation for detailed design work for Mutonga, 60 megawatts and Low Grand Falls 100 megawatts project, which together will add 200 megawatts of power to our national grid.

(iii) We are exploring opportunities for importing electricity from neighbouring countries. In particular, power import from Uganda will be increased to 80 megawatts by the year 2006. Consideration is also being made to the interconnection of a system with the South African Power Pool (SAPP) through Tanzania.

(iv) Intensifying exploration of coal and geothermal energy resources.

(v) Development of wind resource atlas.

Let me make a few remarks on wood fuel. Over 80 per cent of Kenya's population is dependent on wood fuel for its domestic energy needs. Wood fuel accounts for about 70 per cent of Kenya's final demand and provides 95 per cent of the rural household energy requirement. Heavy reliance on wood fuel by urban and rural household has diminished wood fuel supplies in the country. In order to address this issue, my Ministry will continue propagating the use of efficient stoves and other devices which draw energy from biomass. In addition, my Ministry intends to continue encouraging Kenyans to use other known conventional energy sources, such as solar and wind which have potential for utility, but are yet to be exploited fully.

Mr. Speaker, Sir, having made these remarks, I now wish to elaborate on the activities for which I seek the support of this august House for the fiscal year 2000/2001, for which my Ministry is seeking authority to spend the total gross amount of Kshs5,246,320,184. This will be in the two Votes of the Ministry with the Development Vote accounting for Kshs5,141,046,698, while the Recurrent Vote will account for Kshs105,273,486. I now propose to present my Ministry's Development Expenditure proposals on a budgetary Head basis.

Under Head 428 - Headquarters Administrative Service we have a gross expenditure of Kshs2 million. My Ministry seeks authority, under this Head to spend the gross sum of Kshs2 million to support the on-going energy sector reforms. It is expected that when these reforms are completed, there will be greater efficiency in the sector resulting in lower tariffs in the consumer prices in the long run. In order to improve efficiency in the parastatals under my Ministry, especially the Kenya Power and Lighting Company (KPLC) and the KenGen Company, performance contracts will be prepared defining the optimal operational level which these parastatals are expected to attain.

[Mr. Speaker left the Chair]

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

This will enable them to operate at full capacity and as viable entities. The funds requested will also be used to enhance human resource capacity within the Ministry to enable its officers to cope up with the new challenges arising from liberalisation of the energy sector. The Ministry will undertake institution study in order to identify the strength and weaknesses of the current institutional set up and propose mitigating factors to improve the supply and demand management of the energy sector in the country. Since reform plans for the energy sector will require higher funding, I will be submitting a request for additional funds to this honourable House at Supplementary Estimates stage.

Mr. Temporary Deputy Speaker, Sir, under Head 429 - Headquarters Planning Service Kshs30 million is being requested from the Exchequer to undertake a functional specification and environmental impact assessment study on the proposed inter-connector between Nairobi and Arusha. A feasibility study will provide information to promote the project among prospective investors.

On Head 433 - Alternative Energy Technology - my Ministry will continue to focus attention to the promotion of alternative sources of energy, such as solar and wind with the aim of accelerating the installation of appropriately tested solar and wind systems. Towards this end, I am requesting authority from this House to spend Kshs28 million for the preparation of a wind resource atlas, which will provide information on the wind energy potential across the country.

Under Head 435 - National Grid Systems - my Ministry is requesting Kshs275 million, the bulk of which will be Appropriations-in-Aid from the Kenya Power and Lighting Company (KPLC) and the International Development Agency, to support loss reduction and demand-side management projects, which will include training of the KPLC staff in areas of demand-side management, design, economic analysis and marketing technics. All those areas aim at enhancing efficiency in the management and conservation of electric and gas-thermal energy.

Under Head 436 - Geothermal Resources Exploration - my Ministry will continue with geothermal energy exploration development activities. For that purpose, my Ministry is requesting a gross amount of Kshs3,321,466,698. The funds will be spent on geothermal data gathering, exploration, exploitation and development of the Olkaria site, and other potential sites within the Rift Valley. We estimate that the geothermal power potential is between 1,000 and 2,000 megawatts when fully developed. That needs to be researched.

Mr. Temporary Deputy Speaker, Sir, in order to extend electricity distribution network to the rural areas; where poverty is prevalent, the Government, through the Rural Electrification Programme, will invest Kshs1 billion every year. The programme will target the market centres, public facilities and social amenities, with the aim of having business creation and income generation. The Levy Fund is reflected on a district basis in the current fiscal year. To promote rural electrification, my Ministry requests Kshs1,274,080,000 for the activities in that sector.

Mr. Temporary Deputy Speaker, Sir, with regard to the National Oil Corporation of Kenya (NOCK), in order to entrench liberalisation in the petroleum sub-sector, my Ministry is requesting an additional Kshs70 million to undertake construction of a common-user loading facility in Nairobi, with a view to facilitate new entrants to compete favourably in the oil industry. In the last fiscal year, we received Kshs87 million towards the project.

Mr. Temporary Deputy Speaker, Sir, let me deal with petroleum exploration, Head 427. Initial investigations indicate that there could be undetermined quantities of coal deposits in Mui area of Mwingi District. I am, therefore, under Head 427, requesting Kshs40 million to carry out geo-physical survey and exploratory drilling, in order to determine viability of mining those deposits. Under the same Head, my Ministry is requesting a gross sum of Kshs100 million for petroleum exploration in the current financial year. As I stated earlier, the Government has already signed a contract with a United Kingdom (UK) based company for petroleum exploration for blocks L5, L7 and L10 in our coastal belt.

Mr. Odoyo: On a point of order, Mr. Temporary Deputy Speaker, Sir. May I, through the Chair, request the hon. Minister to repeat the bit concerning oil exploration in the Mwingi area. I did not catch that. I apologise to the House.

The Minister for Petroleum Energy (Dr. Masakhalia): Mr. Temporary Deputy Speaker, Sir, all I said was that: We are investigating the undetermined quantities of coal. Coal is a form of energy. It is not oil yet. It is a little bit more backward. But in Mui area of Mwingi, we have established that there are deposits. We want to carry out geo-physical surveys to establish the quantities and determine whether they are commercially viable.

Finally, under the Recurrent Estimates, to support the on-going activities, my Ministry requests a gross recurrent sum of Kshs105,275,486, of which, Kshs64,085,786 is appropriations-in-Aid from the Kenya Oil Storage facilities, and miscellaneous receipts. The balance of Kshs45,321,860 will be funded from the Exchequer. In summary, therefore, I am requesting a gross development allocation of Kshs5,141,046,698, and a gross recurrent allocation of Kshs105,273,486, for the recurrent expenditure.

With those few remarks, I beg to move, and request Prof. Saitoti to second.

The Vice-President (Prof. Saitoti): Mr. Temporary Deputy Speaker, Sir, I beg to second the Vote, which is dedicated to a very important sector of our economy.

Energy is, undoubtedly, the mover of the economy. Without energy, there is no way that the economy can move. Indeed, when we talk on matters of important infrastructures - that are very relevant to the development of our economy there can be none other than those aspects pertaining to energy. This is the time when we are talking in terms of putting efforts to ensure that our economy is put back on track. We cannot be able to succeed on that effort unless that particular sector is put back on track. Energy has got very many other parameters. I will just touch on a number of the important ones. One of them is oil. Oil is an extremely important component of the energy sector. It accounts for over 20 per cent of our revenue.

Mr. Temporary Deputy Speaker, Sir, oil plays an extremely important role in matters of transportation in this country, be it in the form of Saloon cars, huge haulage trucks and even in the operations of the industry. Unfortunately, this country is yet to find oil. Even though the exploration of oil has been carried out for a number of years since the colonial days; as far as the 1950s, there is no amount of oil which has ever been discovered. There was a time, several years back when our hopes were raised that some little amount of oil was found. But we were later told that, maybe, the oil was either too little or too expensive to exploit. We do know from history that, if indeed, we will be able to make a success in oil exploration, then we must intensify the exploration. Very few of the blocks so far in this country have actually been touched. But, let us also take the following into account:

The exploration of oil is an expensive undertaking and, therefore, it has normally been confined to only major oil multinational companies; those who can only mobilize the finances. The only worrying thing about them is their vested interests in the exploration of oil. Some of them announce the discovery of oil when it appears to suit their forecasting positions. We have a major problem! The really challenge that faces a developing country like Kenya, when we do not have that resource is the possibility of being blackmailed by a number of corporations and we must find ways of going about it. I do not have the solution now, but I do hope that, in the course of the deliberations of this particular Vote, hopefully there will emerge a formula by which we can attract as many exploration companies as possible, and not just those which are drawn merely from one or two other countries. They should be drawn from a number of industrialized countries; maybe, the traditional ones who can come and help us exploit oil.

I do not believe that the boundary between Kenya and Sudan exists. The current boundary was drawn during the colonial times and it goes all the way further down. I find it extremely difficult to believe that---

Mr. Oduyo: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Vice-President implying, by inference, that we need to re-negotiate our border with Sudan for the purpose of exploring oil.

The Temporary Deputy Speaker (Mr. Musila): I do not think that, that is a point of order! Proceed, Mr. Vice-President!

The Vice-President (Prof. Saitoti): Mr. Temporary Deputy Speaker, Sir, I am trying to draw the attention of this House to certain technical aspects that we need to look into. For instance, across the border in Sudan, near the Kenyan border, substantial deposits of oil have already been discovered. On the other hand, we are told that we do not have oil and yet we know that the border we have is purely a colonial boundary. I am not going for expansionism! I do not believe in that and we have accepted that. However, perhaps, we are being cheated somewhere by some skilled exploration companies. I do not mind looking into that, but we must find a way to get out of that situation.

Mr. Temporary Deputy Speaker, Sir, I am dwelling on the matter of oil because every time the prices of the crude oil go up, we have to look for more money to buy dollars in order to import oil. When we do so, due to the pervasive nature of oil in our economy, all the transportation and manufacturing prices go up, which in turn affect the price of every commodity. Farm inputs like fertilizers and diesel become more expensive and this affects the price of foodstuffs.

As I am talking here, I hope hon. Members in this House and the stakeholders wherever they are, will see the need to come together as a nation in order for us to find out the best alternative ways of exploring for oil. If we can explore and find some oil, doubtless, Kenya can be a major economy. We have seen it happen in many countries and I want to ask my colleague in charge of this Ministry to work hard. We support the Vote in order for him to make whatever effort that is necessary for us to strike oil. I commend the Minister because in July this year, a contract for the exploration of oil was signed with an international British company. We hope that more of those companies will come in because it is important.

The other area which I believe is very important as far as energy is concerned and which is to be taken into account, is the fact that, about 70 per cent of our own energy is fuel. We know majority of Kenyans in the rural areas use wood as a source of energy and they have continued to do so. However, this in itself is counter-productive to our own environmental commitment to the conservation of the flora and fauna of this country. Therefore, we are facing a problem here! This problem can only be solved, not merely by telling our people not to cut the trees. Indeed, they should not cut the trees because if they do, we will get into bigger problems. We will need to put more effort - and I am glad there is something which is being factored here - on how we can come out with alternative cheaper sources of energy. For instance, there is weed energy, biomass and several others which we need to look into. That is the only way

we can produce cheaper sources of energy for the majority of people and, therefore, be able to conserve our own forests and water catchment areas. I believe we have got to move very quickly into that particular area because it is demanding.

Electricity is the other very important area. Electricity is very interesting because it only accounts for about 9 per cent of our energy sector and yet it is so sensitive. It is so important because of its contribution to the production processes. It is important because it is used most in small scale industries. There is no way we can provide sufficient jobs for our people in the rural areas unless electricity is expanded. Indeed, there is actually no way we can strike a balanced development without electricity.

With those remarks, I beg to second the Motion.

(Question proposed)

Mr. Mwakiringo: Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me this opportunity to contribute to this important Vote on the Ministry of Energy. As you know, the backbone of development in this country and any other part of the world depends on the energy sector and more so, on rural electrification and energy generation. However, let me first of all thank the Minister for moving a very focused Vote and the projections he wants to undertake. However, I want to highlight a few things on traditional energy. This is mainly on wood fuel, and this as we know, accounts for about 70 per cent of all the energy used in Kenya. As a result, the rate of tree felling exceeds the natural rate of replenishment this practice has been going on for so many years and as a result, we have had reduction in stock of tree capital.

We have had destruction of water catchments and, therefore, acceleration of erosion and reduction in hydro-potential catchment areas. So, I know he has touched on these ones but at least, we need to enhance and put more effort towards that direction.

Mr. Temporary Deputy Speaker, Sir, on modern energy, this consist of fuels, coal and electricity. Of course, this also accounts for 30 per cent of Kenya's energy needs. Regarding the issue of oil resources, 30 per cent of Kenya is considered to have hydro-carbon potential and especially in Northern, Eastern, North Eastern and Coastal parts of the country. Although this exploration has been going on since the 1950s, no tangible discoveries have yet been made in Kenya. This has been made difficult by the fact that explorations are very expensive. However, I am happy that the Minister has touched on what he intends to do on that one.

Mr. Temporary Deputy Speaker, Sir, we have not yet found coal deposits in Kenya. Oil is mainly used in the cement industry, although it constitutes a very small portion in that line. Coal is only imported from South Africa. However, I think if we can enter into partnership with any person, in the exploration of coal, that could also assist in the power generation and in turn, enhance our cement production instead of importing the same from South Africa.

Mr. Temporary Deputy Speaker, Sir, on electric potential, we have two major sources of electric energy: These are hydro and geothermal. I am happy to note that domestic source of modern energy from hydro-power generation is estimated at 850 megawatts and, of course, we are happy that this has been exploited and two-thirds of it is from the Tana River Basin. Geothermal energy, though very expensive, is equally probably the most abundant domestic source of modern energy here in Kenya. We need to move aggressively into that direction because the estimated maximum potential in Kenya is 1,400 megawatts. Therefore, though it is expensive, we need to start the exploration methods at this stage. This is because the problem with us Kenyans, is that we want to do the feasibility studies, be the beneficiaries of the project throughout instead of planning for our children in the future. So, we should start now for the benefit of the future generations.

Mr. Temporary Deputy Speaker, Sir, I would want to touch on other emerging forms of energy like the solar energy. Potential for solar energy is great in Kenya, since it is lying in the middle of the solar belt. A very high level of solar usage being experienced across the country. So, we have a very good potential for solar energy in this country. It is abundant, undepletable and free of pollution in Kenya. That is the advantage of the solar energy. I know it is very expensive but we should start planning for the exploration of the same.

Mr. Temporary Deputy Speaker, Sir, I want to also touch on wind energy. The potential for wind energy is very great. We have so many windmills in Kenya which are being operated. They are appropriate for communal water pumping and generation of electricity in isolated locations. So, we need to move faster in that direction. What we would not want to see is like what is happening in the Coast Province where we are using a donor who is there trying to experiment on wind energy generation and yet, we do not have the findings data from that company. I know there is a company experimenting on that in the Indian Ocean but we do not have access to its findings. I think it is important that whenever we are entering into a contract with any donor who would want to do exploration on any kind of energy, we should be in a position to access the findings from that donor company. So, though the cost of electricity generated from wind energy is still expensive, I think we should start moving on that direction, so that we can ease the shortage of power in this country.

Mr. Temporary Deputy Speaker, Sir, on biogas, the potential for generation of biogas from agricultural and domestic waste is considerable and it is there. The only problem is that it is not very attractive because of sanitation and handling problems. So, it is not attractive, but it should be encouraged.

Mr. Temporary Deputy Speaker, Sir, I want to touch on energy consumption and economic development. As the economies grow, the consumption of modern energy grows and that of the traditional energy falls. This is the process of economic transition. The intensity of use of modern energy increases with the economic growth and, therefore, a way must be found so that we can balance the two. The per capita consumption of modern energy is often used as an indicator of human development. Studies in Kenya have shown that urbanisation increases the demand for total modern energy, especially on automotive fuel, domestic and industrial energy. An increase in the share of GDP coming from manufacturing, increases the demand for modern energy. This must also be balanced.

Mr. Temporary Deputy Speaker, Sir, let me talk on the recent developments in the electricity sector. Ordinarily, the demand for electricity grows faster than the growth in the economy and recently, the electricity consumption has been growing at a rate between 4 to 5 per cent per annum. When the economy is doing well, demand for electricity grows at between 8 and 10 per cent per annum. These rates of growth on the demand for electricity makes it imperative for us to do, careful planning on power development to ensure that the supply of power matches the increasing demand. Recently, there has been a mismatch between the supply and demand for electric power in Kenya. This mismatch was officially acknowledged in 1987 when the current development plan 1997/2001 was published. This mismatch is a result of failure to implement the power development programme and plans. This failure led to a huge gap between 100 and 200 megawatts in demand and supply respectively. This gap has been compounded by poor weather condition as the Minister has ably explained. Maintenance of dams for hydro-generation has lagged behind undermining the country's installed capacity. This mismatch between demand and supply of electricity has caused power interruptions, rationing, interruption of production, reduction in production costs, escalation in production costs, failure to meet short term growth targets and reduction in welfare.

Mr. Temporary Deputy Speaker, Sir, I will conclude by giving suggestions of what could have been done to avert the current power shortages:-

(a) For a long time, Kenya has been preoccupied with self-sufficiency in power generation. This was good for our political ego, but meant that Kenya did not send the right signals to its neighbours who have far greater hydro-potential than Kenya. This task did not encourage the development of a regional power sector. Since hydro-electricity is cheaper than other forms of electric energy and since Kenya hydro-potential has been exhausted, purchases of power from our neighbours will, in the long run, be cheaper than our attempts to exploit more costly alternatives. Kenya would do well to send the correct signals to its neighbours in this regard.

(b) Kenya has not drawn the full benefits from liberalisation of the power sector because the reforms have been carried out opportunistically and without the best interests of the country in mind. The electricity market is still very distorted with the KPLC being not only the only distributor of power, but also the only buyer of bulk supplies from independent power producers. The independent power producers have either to collude with KPLC or they will never be able to operate profitably. The dominance of KPLC needs to be reduced to allow market forces to come into play.

(c) The number of players needs to be expanded to reduce market imperfections. In this regard, Kenya could learn from other countries. In Sweden, for example, there are 90 power producers and 300 distributors. Most of these distributors in Sweden are local authorities. This, if applied in Kenya, will ease the problem affecting the country currently. The result is that Swedish consumers pay low costs resulting from the competitive nature of that electricity market.

(d) Although there is a mechanism for regulating the power sector, both KPLC and the ERB are presently used as instruments of patronage. We need to get a way out of this one. There is no evidence of competitive hiring of personnel at ERB including top management and the management is not performance oriented. I am saying this because we should have averted the current power shortages, if these measures were taken. The implication is that the regulatory arrangement is flawed and a burden to the consumers.

Mr. Temporary Deputy Speaker, Sir, by products of the titanium which has been discovered in Kwale in Coast Province could be used in generating electricity like they do in South Africa. So, I urge the Ministry to be involved in the mining of the titanium, so that they also experiment on what percentage can be achieved from that product to generate electricity. Fuel prices keep going up, day in, day out. This is affecting the economy of this country. We would like to see the Ministry coming up with a policy of controlling prices of pump fuel.

Our mistake was that we liberalised everything. But we should have strings to pull when things become worse. This is important because each country in the world has got its own quota system on what is to be used for the domestic use and what is to be exported. However, in this country we have liberalised ourselves and we have left ourselves open to be exploited at the whims of the big oil companies. I would want to see the Ministry coming up with a policy to control the pump fuel prices.

Mr. Temporary Deputy Speaker, Sir, on the contract entered into between the Government and oil exploration companies, more is required and we need more players in that sector, instead of having only one after so many years. We need quite a number of companies coming in to explore the oil deposits in this country. It is very important. We need to have so many players at so many strategic points.

Mr. Temporary Deputy Speaker, Sir, the Vote of the Ministry is well articulated. For example, under the Development Expenditure, the Fuel Levy Fund is reflected on district basis. This puts our people in charge of the local planning. They can, therefore, articulate their own interests, especially on what we need and what should be done. I would urge all other Ministries to follow suit and do what this Ministry has done because it is moving in the right direction. But we need to see the rural electrification programme in the rural areas in order for us to ease the flow of people to urban areas.

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

The Minister for Mineral Exploitation (Mr. Kalweo): Mr. Temporary Deputy Speaker, Sir, this is a very important Ministry. However, its activities require a lot of emphasis, inputs, support, exploration and expansion. I know very well that we have problems of electricity in this country simply due to lack of rains. Some people may blame the Government for allowing encroachment of water catchment areas and devastation of forests. However, we have heard from our great grandparents that there was a great drought in the country many years ago. For example, in the past, Meru District was severely hit by drought and nothing grew. It was all dusty. Maybe, this is an act of evolution. But do we need to sit down and wait for calamities to strike before we can act? We need more exploration, expansion and wisdom to be applied in this Ministry. We need to support the Ministry by giving it the necessary equipment, ideas and money for it to venture into ways of solving the current problems.

It is a pity that most rivers in Western Kenya flow into Lake Victoria which is the source of River Nile. River Nile feeds Egypt and Sudan, among other countries, with water. Its source is actually various rivers in Kenya. Therefore, Ministries concerned should liaise with the Ugandan Government and come up with a joint venture, so that we can tap electricity from River Nile because much of its water is from Kenya. In the 1980s, I was among the Kenyan delegation that visited the Democratic Republic of Congo (DRC). We visited Matandi near River Congo. There, we saw a huge electrical power station that supplies Zambia with electricity. By the way, they were willing to export power to our country. We do not have big rivers in the country. The biggest river in this country is Tana River has small distributaries. So, that is why I support the idea of investing together with our neighbours, so that we can have enough electricity that does not go haywire all the time. With enough electricity, we shall improve our manpower. We talk of Kenya being industrialised by the year 2020, but we cannot be industrialised if we do not have enough electricity. Therefore, it is important for us to focus on the rural areas. The Kenyan society is an agricultural country.

Mr. Temporary Deputy Speaker, Sir, Kenya is an agricultural country, but what have we done with the crops that we grow? How do our professionals venture into those areas? For example, maize and beans which are our staple food, because we only know of *ugali* and *uji*. But do we not have scientists who should study and tell us what else we can get out of our crops? We should focus on the rural areas and on crops such as cotton. For instance, wananchi produce cotton. They also have cotton ginneries. Those ginneries require electricity. If we can have spinning machines and many other inputs, we will be addressing the question of poverty eradication and creation of employment. We have so many unemployed youths who have completed their university and secondary schools and those who have not gone to school. We should get power within their rural areas so that we can decongest Nairobi. Nairobi is so congested that the Government should look for an alternative settlement. Again, an alternative settlement without electricity cannot work. In order for us to handle, we require the input of other Ministries, so that we can address it in a way that will help our country.

Mr. Temporary Deputy Speaker, Sir, as the Member for Igembe, I want to say that we have streams with very many falls. These include streams like Ura, Thangatha and Ithanantu in Tigania. If we focus on those areas, we can create small power stations which can supply Mwingi and Kitui districts, because Tana River does not have falls. So the streams which feed Tana River can be used to create small power stations for local consumption. When we talk of having fuel stations for power supply, why do we not make use of our streams? We should be proud of what we have. We cannot start talking of River Congo, Mississippi and forget our small streams. Take for example, the Turkwel Gorge which contains water from Turkwel River. We need those small streams. In my constituency, we have put up a hospital on Harambee basis at a place called Nthambiro and it requires electricity to run. I want the Minister to listen to that. I request the Ministry concerned to focus into the rural areas so that we can contain our youthful population within those areas and become productive.

With those few remarks, I beg to support.

Dr. Ochuodho: Mr. Temporary Deputy Speaker, Sir, in recent times, we were privileged, as Members of the Departmental Committee on Energy to visit Kindaruma Dam. There were two unique things that I found there. One, there is a major problem with evaporation from the Kindaruma Dam because of the wide surface area. I

think the Ministry needs to find ways, if possible, of minimising evaporation. I estimate that as much as about a quarter of the water could have been lost through evaporation. So, I challenge the Ministry to find a way of minimising evaporation from the dam. There is also a likelihood of a major problem of de-silting. My estimation is that, as much as about 10 per cent of the water potential, could have been lost due to siltation of the dam. Again, when we did challenge the experts, we were not given the exact figures. I do not know think adequate scientific measurements have been taken to let Kenyans know how much may have been lost in terms of siltation. So, apart from evaporation, I will want to call upon the Ministry to look also at the area of de-silting the dams. I am glad that the Ministry did mention something about the possibility of looking into that area.

However, Mr. Temporary Deputy Speaker, Sir, I want to turn to the issue of electricity from the neighbouring countries. I am talking about the power rationing problem as a major national issue. When Bunge FC visited Uganda earlier in the year and on President Museveni; he did challenge us to talk to our Government so that they can buy more power. I was delighted to learn that recently despite previous resistance from the Government, they were able to get a little more power from Uganda during the off peak times. I believe we can still get much more. Why does the Government not enter into arrangements with Uganda to produce more energy, if it is cheaper to produce hydro-electric power from Uganda than it is from Kenya? I want to appeal to the Government to put aside political expediency for the interest of the citizens of Kenyan and Uganda.

Mr. Temporary Deputy Speaker, Sir, I also want to turn attention to the issue of alternative energy sources. I am surprised that so little money is being put aside to look into this area. Alternative energy sources could include many that have been enumerated here, including nuclear power. I am particularly concerned about nuclear and wind power. I understand solar energy may not give the amount of energy that we are talking about on a national scale. However, I understand that we have a major potential for wind power running into hundreds of megawatts. I would have thought that the Government would be willing to put in a lot more money in terms of coming up with a masterplan.

Mr. Temporary Deputy Speaker, Sir, I do appreciate the fact that the Minister did say that some money has been put aside to come up with a wind map, but wind energy is just one of the various sources of energy. In any case, one may want to have a comparative analysis. I do not know how much we have spent in bringing in generators recently during the crisis. But I estimate that billions of shillings have gone into that. Why do we not even spend Kshs1 billion to come up with a comprehensive masterplan of energy requirements? The Ministry may be quick to talk about the least cost of energy arrangement but that is not what I am talking about. I am talking about a proper masterplan so that anybody who wants to invest in the energy sector in Kenya knows exactly what to do, where and how much it is likely to cost to produce a unit of energy power.

Mr. Temporary Deputy Speaker, Sir, I must turn attention to the issue of water catchment areas. We are talking about these various measures, but to me, they are cosmetic. We must go to the root cause and identify what caused the drought that we are currently having. Why is it that we do not have enough water in our lakes? It is because of the thirst for grabbing land and deforestation. I urge the Ministry to be bold enough and tell the Government to protect our forests because we need them as water catchment areas.

Mr. Temporary Deputy Speaker, Sir, I must also express my concern that despite the fact that there is a reduction in energy or electricity being consumed, the KPLC is charging consumers more. On what basis have tariffs gone up if energy consumption has gone down? This is a rip off. I want to challenge the KPLC to immediately get back the tariffs to where they used to be, whether we are talking about deposits or actual cost of units of energy. I am also saddened that for one, KPLC is beginning to make losses. It has been a very profitable organisation. Are there loopholes that are being used to finance snap elections? In any case, how come that every week, key officers within KPLC are sending between Kshs50,000 and Kshs100,000 to Harambees? How come that people within KPLC seem to be well off while the company is going under?

Mr. Temporary Deputy Speaker, Sir, on the issue of importing transformers, I am yet to be convinced that there was very good reason to import them. Were we just creating a loophole so that a few people can line their pockets? I am yet to be convinced that, that was not the case.

Mr. Temporary Deputy Speaker, Sir, I would also like to talk about the issue of petroleum. Among the big oil companies in this country, there are those which are politically correct and those which are politically incorrect. When the oil rationing started, some oil companies appeared to have known of the looming crisis well in advance, and raised their pump prices; I can mention some of those companies. Why was this the case? I would like to remind to my brothers, who seem to have a hand in every sector of this country, be it in the area of mobile phones, road construction and energy, among others that, this country is not for just a few people. We must also consider the small-scale entrepreneurs.

The big oil companies seem to be making it very difficult for indigenous Kenyan players to operate in the oil industry. In this regard, I am glad that the Minister has talked of a loading facility whose construction the Government is looking into, so that the small companies can also survive. I must, however, take issue with the recent fuel price

increment. Kenyans are already overburdened. This is the wrong time for the Government to allow the fuel prices to increase.

If the Government cares about the welfare of Kenyans, it should not have allowed the increments of fuel prices. It is in this regard that I would like to challenge the Government to appropriately lower taxes, so that fuel prices can revert to their original levels since we are already overburdened. By the same token, I would like to appeal to the oil companies to reduce their profit margins. We must do away with the greed to make huge profits. We should realise that Kenyans will have a very difficult time if we do not do so. I would like to challenge the Government and the oil companies to take their shares of the problems we are facing as a result of oil price increases, so that Kenyans do not unnecessarily suffer too much.

Mr. Temporary Deputy Speaker, Sir, I would now like to turn to the issue of constructing an oil pipeline from Eldoret to Kampala. While in prison, I read in a newspaper smuggled into the prison that the Government intends to spend about Kshs6 billion to construct an oil pipeline from Eldoret to Kampala. There is data which shows that if the proposed pipeline is constructed from Kisumu to Kampala, over land, it would cost only 50 per cent of that amount; if that pipeline is constructed under water, it would cost only a third of that amount. Why are we originating that pipeline from Eldoret instead of Kisumu? Is it another case of political expediency? In fact, if the proposed pipeline originates from Kisumu, it will also pass through Busia, where the Minister for Energy comes from. So, he may also benefit in the process. I would like to challenge the Government to explain to Kenyans why it wants to spend that money for political expediency.

I must also turn to the issue of rural electrification. This is one programme that has been thoroughly mismanaged. Again, political expediency has found its way here. We are aware of what happened in Kipipiri in the run up to a by-election; the people of that constituency were promised electricity. When co-operation was launched in Homa Bay District, three or four poles were sent there to take electricity to Suba District. Three or four months later, those electricity poles were withdrawn. When you are politically correct, you get electricity. Apparently, people in my area are politically correct. However, despite Government promises to provide Suba District with electricity, that has not happened.

I would, therefore, like to challenge the Government to come up with clear policies on handling the rural electrification programme. It is in this context that I am calling for the establishment of a Kenya energy agency that would work on similar lines as the Kenya Roads Board, so that, say, Kshs10 million is allocated to every constituency for rural electrification every year. This will ensure that rather than having just a few politically correct areas getting electricity, the whole country is supplied with the commodity.

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

The Assistant Minister for Tourism, Trade and Industry (Mr. Ekirapa): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving the opportunity to contribute to this debate. I rise to support the Motion on this Vote. I will do so by, first of all, congratulating the Minister for the able manner in which he initiated debate on this Vote.

Mr. Temporary Deputy Speaker, Sir, every Kenyan will want to read tomorrow newspapers to see the proposals that the Minister has put forward following what has happened to this nation in the last few months. Energy is a key component in the economic development of any country. I think Kenyans have tasted the bitter pill by not having electric power. Industrialists, institution owners, housewives, and everybody else in Kenya has suffered a great deal in the recent past months due to lack of electricity.

Therefore, while congratulating the Minister for the able manner in which he presented his Vote to this House, I would like to ask him to make sure that this country never again gets through the kind of problems that we went through. This country economy was just beginning to pick up when the power crisis came in. I hope that the plans that the Minister has enumerated will be followed thoroughly to ensure that Kenya will forever have adequate electric power and reserves of it.

Mr. Temporary Deputy Speaker, Sir, let me ask the Minister that, when he replies to this debate, he explains more specifically how he intends to make this country self-sufficient in energy. Could he strengthen our ties with our neighbours, for a start, so that we can get cheap energy from Tanzania and other neighbouring states such as Malawi, among others further south of the continent? With the establishment of COMESA, it should be easier for us to get energy at very cheap rates. If we do that, this country will improve its development speed in terms of the economy, which has been very much affected through lack of sufficient energy and other factors.

The Minister talked about geothermal energy, while other speakers mentioned the issue of hydro-power generation. I would like to add that western Kenya has a number of rivers, which we have, probably, not considered while drawing this country development plans. We have let the waters of those rivers flow into Lake Victoria, and subsequently flow down the River Nile all the way to Egypt. Indeed, the Egyptians are better users of our water than we are. So, perhaps, the Ministry can look into the possibility of using the water in those rivers for the betterment of this country first before it gets into Lake Victoria.

Mr. Temporary Deputy Speaker, Sir, the issue of generating electricity using nuclear energy has also been mentioned. However, the Minister has not indicated how he intends to explore the possibility of this country using nuclear energy as a source of electricity. Most developed countries nowadays use nuclear energy to generate electricity. Perhaps, if we introduce the use of that source, we will be able to solve the problems that we have. Also, the possibility of using coal was mentioned. I think this is of particular importance because of what our people use - wood energy. We must start thinking of ways of replacing wood energy. There is no point in complaining that people are cutting down trees in forests all over the country when they have not been provided with an alternative source of energy for cooking. Certainly, our forests will disappear no matter what policing systems are put in place, unless we provide people with an alternative source of energy. So, it is very important that the Ministry looks at alternative sources of energy that our people can use. People cannot continue cutting down trees in forests and other areas, and yet we think that those trees can be conserved; that is not possible. So, it is very important that the Ministry looks into alternative sources of cheap energy for use by our people.

Mr. Temporary Deputy Speaker, Sir, that brings me to the question of the Rural Electrification Programme (REP), which has already been mentioned here. However, I want to ask the Ministry to tell us how they determine the criteria for allocating funds of the REP to districts. You will find that some districts are well covered by electricity and others are not. In my district even at the district headquarters there is no power. Although I know that there is a plan to connect power to that area, it is still a typical example of an area which has been neglected in the past. We hope that the Minister in his planning will reverse the situation in order to ensure that those areas which have been neglected in the past are better covered this time round.

There is an impact created by the REP. In this country, we talk about education, and we try to provide education to all our children. It is amazing to find there are disparities in the provision of education to our children. Children in Nairobi have power in their schools and homes, and when they come home, they prepare for their lessons of the next day before they go to sleep, whereas other children in the rural areas suffer because they lack access to electricity. Their schools and homes have no access to electricity, and, yet, in the end, we set the same level of examinations for all of them. That does not make sense, and the Ministry should consider reversing the trend of increasing electricity supply in certain areas and ignoring others. The objective for the Ministry should be to provide power to every school, everywhere in this country. I know that it is a major task, but the Ministry should be able to live up to it.

Regarding the question of oil exploration, it has already been covered. We know that in other countries, they have got huge reserves of oil, and, yet, they would like to buy oil from other countries because they are waiting for the "rainy day" to use their own. The Ministry must take very active measures to ensure that oil exploration in Kenya yields some results. I think Kenyans would like to be told exactly - step by step - what we are doing in that area because it is now many years since they heard of companies doing oil exploration in the North Eastern Province (NEP). Some time ago, we were told that oil had been found, but nothing happened thereafter.

Is there oil in Kenya or not? I think we need to get the answer from the Minister when he comes to reply. If there is oil, we must develop it by asking companies which are prepared to start exploring and drilling now, to produce oil for the benefit of this country, instead of keeping it under the ground because we are friendly to those countries which are exploring and who hope that one day when they need that oil, it is when they will start drilling. We need that oil now, and let us know whether it is there or not.

Going back to the issue on REP, I know that there are certain programmes which are going on presently. It seems that the people who are giving us loans for development of the power sector are those who are also responsible for the implementation of those projects. They seem to be the ones who plan, design and implement the projects, by way of contracts. Perhaps, I would like to be assured by the Minister that there are some control mechanisms which ensure that the Kenya Government is responsible for the completion of programmes according to the time schedules agreed. This is because I know that in some areas - particularly in my area - the REP is very much behind schedule. It seems that the Ministry is simply not responsible for ensuring that the projects are completed by a certain time.

Let me also touch on the issue of water development, particularly the dams. The Ministry needs to have definite plans for producing energy through dams, rivers, *et cetera*, which, apparently, is not now being done, and some dams have been completely silted.

Mr. Temporary Deputy Speaker, Sir, I beg to support the Motion.

Mr. Ochilo-Ayacko: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Motion.

The energy crisis in this country did not tiptoe on us. It is a situation that an active Government, like the one we have, ought to have foreseen; that we would have that kind of crisis, and it should have put down measures that would mitigate its effects. This country cannot industrialise in any way, if we do not have a vibrant, active and a sufficient energy sector.

We know very well that we have been dreaming as a country that we will industrialise by the year 2010. That dream will not come to fruition because of bad planning. Instead of knowing that the climate in this country varies after some time, we decided to have our Hydro-Electric Power (HEP) producing plants in certain areas of this country. We know very well that there are certain areas in this country, for instance, in Western Kenya, where we have very reliable rivers that flow year in, year out. Until recently when we had Sondu Miriu Hydro-electric Power Project and the Turkwel Gorge Project, we did not put generating plants in those areas. The current energy crisis that we are facing in this country, in respect of production of electricity, has been as a result of bad planning. Until the current and future governments put in place proper measures to curb such bad planning, then, we are unlikely to have industrialisation that is associated with electricity.

Again, there has been very bad distribution of electricity. I know that the whole of Suba district does not have electricity. How can people in Suba district industrialise, or think of even having cottage industries or fishermen and fisherwomen operate without electricity? I know of certain regions in Kenya where we have over-supply of electricity, while we have it even in grass-thatched houses. That kind of inequity is intolerable and it is one that generally discourages people from working hard. So, this Government should look into equity in terms of distribution of electricity with keenness, so that all areas in this country can develop at a pace that is required.

There is also need to look into the issue of thermal electricity. It is only this year and last year when we realised that we were having failure in rainfall, that we decided to invest in generators. That is something that the Government of the day ought to have had in mind over a long time. We ought to have had contingency arrangements in terms of acquisition of generators so that we do not have to cause a stampede or an avalanche when we realise that rains would not fall.

If you look at the current Estimates that we are debating now, that has not been adequately provided for. For instance, if the drought that we are currently experiencing persists, we are likely to have problems in the future. So, this Government - and our good Government at that - should put in place adequate measures to ensure that we do not have over-dependence on HEP. We should also have a fair production of electricity that depends on thermal electricity or generators in this country.

There is also a very big problem that is currently being reflected in the prices of commodities in this country. That problem is on prices of petroleum products. Time and again you hear the Minister for Energy pleading with multinationals to lower their prices. This is one area that we cannot afford to liberalise because we are unstable in this sector and it is my humble recommendation that we re-introduce control of prices of petroleum products. If we do not introduce control in respect of petroleum products then we will have a situation where one litre of super or premium oil will cost Kshs100. Even Members of Parliament will be unable to conduct their own business because certainly that kind of price for fuel is unaffordable for everybody in this country. If we are people who take energy as an important ingredient in development, just as people in the medical sector take pharmaceutical products as very important in the area of curative medicine, then this is an area that our Government must look at by disregarding all policies by the IMF or whoever recommends liberalisation in that area. When I look at the Estimates that we are debating now, it does appear that there is nothing that has been put there that will cater for that area.

This Government tries to use the Kenya National Oil Corporation (KNOC) as an agency that stabilises funds. That cannot work. The amount of money that is normally allocated to KNOC is insufficient. There are parts of this country that do not know of the existence of KNOC. What is seen in most areas is just a pump or two. Even when you go to stations that are run by KNOC, you will find that the prices of oil are not any different. It makes some politicians like us desire to urge Kenyans to riot because oil prices are going up, but as responsible people we would not want to ask Kenyans to stop their vehicles on the streets so that the country runs to a halt. It is the duty of the Government to either provide adequate funding for agencies like the KNOC so that they are able to check price increases by multinationals or the Government must come back into the arena and re-introduce control. I am sure this is an area that will attract a lot of support locally and it will not matter what the international community, IMF or any other person, thinks because the petroleum products are the ones that have made our local folk go for firewood and other alternative sources of domestic energy. This has led to cutting down of trees and eventually interference with the entire ecosystem and environment. This is an area that we must come back to.

Let me go to the issue of rural electrification. Rural electrification has been unknown in many areas in Kenya. One wonders how money that has been allocated for distribution in terms of rural electrification in the districts is arranged. This has been closely following the power structure in Kenya. When the late Mzee Kenyatta was the President of this country, most areas that were affiliated to him in terms of political support got rural electrification. Under the present leadership, you will find that most areas that are affiliated or associated in terms of support to this Government are getting rural electrification. That kind of arrangement is not equitable and it is the one that will discourage production and harmony in this country. I urge the Government of the day to ascertain that just as they have said that all Kenyans must get clean water by the year 2020, so should they be able to access affordable electricity by 2020 so that

those who want to invest in either tourism, cottage industries or agriculture are able to go ahead and do so. Investment in such areas will help this country a great deal. It is needless to hammer that point home.

With those few remarks, I beg to support.

The Assistant Minister for Information, Transport and Communications (Mr. Keah): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Vote. I support that we give the Ministry of Energy the money that they have asked for through this Vote. Before I make my contribution, I want to thank the Minister and his entire staff because, at least, for the last two weeks I have had uninterrupted electricity supply in my Kyuna House. We must give credit where it is due. Whatever miracles he has made, we want him to perform even more miracles. I stand here to observe that it is this country's target to be industrialised by the year 2020. If we have that as the common denominator, then we must indeed articulate our energy policies geared towards Kenya's industrialisation in the year 2020. In this regard, I would really urge the Ministry to come up with an energy master plan that gears up to 2020. Today, we are discussing the current budget and I know that they do have an energy and power master plan. How does this relate to the year 2020 industrialisation and beyond? Time is more than ripe for us to do our things more transparently. We would like to see the Ministry's efforts towards that particular aspect so that we can chip in, contribute and assist the Ministry with ideas towards that particular goal.

I want to take this opportunity to note that the Minister is asking for a gross Development Expenditure of Kshs5.1 billion and a Recurrent Expenditure of Kshs0.1 billion. These sums are in the right direction because we want more Development Expenditure than Recurrent Expenditure. I want to take my hat off for the thinking that has gone behind the structuring of this particular budget because it is more development oriented than recurrent expenditure oriented.

I want to go straight to a number of issues that the Minister has raised. I want to observe that the list of the things that the Minister wants to do in the coming year is impressive. The investment he wants to make in alternative energy in the national grid, hydro-electricity, geothermal, rural electrification and petroleum exploration is really commendable. But knowing that there is a financial constraint in the Government as a whole, I would like to see ways and means of enhancing this particular budget by, maybe, attracting more funding from the private sector. This is an area where we have, perhaps, been lagging behind - enticing the private sector to invest in the energy sector.

Mr. Temporary Deputy Speaker, Sir, we should look into aspects of building, operation and transfer not just in terms of electricity generation, but in terms of all the sub-sectors within the energy sector, so that what the Government cannot provide in the annual budget, should be provided for on a "POT basis" from the private sector. If we do this, in my view, we will get closer towards industrialisation or make electricity affordable and available come the year 2020 or towards the year 2020.

Mr. Temporary Deputy Speaker, Sir, let us look into alternative means of energy, because that is the area which has been allocated Kshs28 million, although this amount of money is peanuts. I would like to see more investment going into wind, solar, biogas and biomass forms of energy. All these forms of energy require high capital than what we have in the current budget. But I do, of course, appreciate that there is a financial constraint in the entire Government, but this is why I am saying that wind energy should be exploited. We have many areas and especially at the Coast, that have been identified to be capable of producing over 300 to 400 megawatts. This can be harnessed. At the moment, we seem to have forgotten this form of energy and I would like to urge the Ministry to look into ways and means of enhancing electricity generation from wind than it has been the case before.

We should also take into consideration solar energy. I would like to say that 95 per cent of the rural population is served by this form of energy other than electricity. Solar energy will be one of those forms of energy that could be utilised in the rural areas with very little investment. While I am aware that there are efforts being made towards exploitation of solar energy, I believe that we are not doing enough. In order to do sufficient job, let us encourage the private sector to come in. For example, we can have loans to lend to individual farmers, teachers *et cetera* in the rural areas for lighting, refrigeration and cooking. In this regard, there are organisations, such as the Global Environment Facility (GEF) which provide funding for alternative energy, of which I am a member. Currently, I know that there is a project that is being funded by the GEF through the IFC. I would like the Ministry to look into that issue and apply to the GEF for funding in order to exploit solar energy.

Mr. Temporary Deputy Speaker, Sir, while I support the investment to the national grid of Kshs275 million, on Rural Electrification Programme, I would like to say that I appreciate that the Ministry tries to allocate some funds for this programme in every district. In my days when I was with the KPLC, we set aside 1 per cent of the gross revenue to go towards rural electrification. But now, I believe it is 3 per cent. I would like to say that when you chose areas to benefit from the Rural Electrification Programme, for heaven's sake, contact the elected leaders. This is because we are the ones who have been elected by the people. Therefore, officers should not go to rural areas and decide which areas should benefit from the Rural Electrification Programme.

In Kilifi, in terms of the funds that were made available last year, and which are yet to come except in one

area, we were surprised--- Indeed, the list for the areas which were to benefit from this programme came to the DDC, but we were told that this is where the feasibility study had been done without our knowledge. To me, that is wrong. We must always be consulted.

At this juncture, I look forward to seeing what is in the budget that will go to Kilifi District, because I have not yet seen it. I have a few very important institutions there that I would like to be supplied with electricity. One particular institution is Jibana Health Centre. After an investment of Kshs15 million to this health centre, we do not have electricity there and, yet, it is only 2 kilometres away from the centre. To me, this is certainly pitiable. Of course, in Kaloleni Constituency, I would like to see all my secondary schools being supplied with electricity.

I would like to support my colleagues who have said that it should be a policy that all secondary schools in our country should be supplied with electricity.

Finally, I would like to touch on petroleum exploration. The process of exploration has been there since 1954, but the results still remain a secret. We do not know what is going on; we do not know whether this country has petrol or oil underneath or not. I think it is only fair if we can know this fact.

With those remarks, I beg to support.

Ms. Karua: Thank you, Mr. Temporary Deputy Speaker, Sir. I take this opportunity with reservations to support the Motion. We all need energy and we cannot develop without it. Therefore, it is an important ingredient for the nation to move forward. But this is a sector which has been totally mismanaged. I do not agree that anything good is happening in the energy sector. I do not see any reason why in the year 2000, the nation should be plunged into total darkness just like it was in about 100 years ago.

Mr. Temporary Deputy Speaker, Sir, the only common thing between what is happening today and the year 1898 is that there are no lights and roads in Nairobi. Luckily, the roads are being repaired. Therefore, this Ministry should really pull up its socks and reclaim its role in serving this nation.

QUORUM

Mr. Shitanda: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is there a quorum in the House?

The Temporary Deputy Speaker (Mr. Musila): No, we do not have a quorum. Ring the Division Bell.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Musila): We have a quorum now. You may proceed, Ms. Karua.

Ms. Karua: Mr. Temporary Deputy Speaker, Sir, I was just saying that the reason why there is disarray in the energy sector, is due to lack of proper management at the Ministerial level. The technocrats have failed to give guidance. Service providers like the Kenya Power and Lighting Company (KPLC) have also failed. Perhaps, it is because of political appointments in some of those parastatals, especially the KPLC. It is time we checked the criteria of some of those appointments and appointed people who can perform and not people who are maintained on reasons of their political affiliation.

We all know that the Rural Electrification Programme is administered by the KPLC on behalf of the Ministry. However, the Ministry appears to have lost control over the implementation of the programme. The Ministry has allowed the KPLC to mismanage the programme. Although we can see that monies are voted district by district, when it comes to the implementation of the programme, the criteria is not clear. Beneficiaries are made to pay deposits and yet, they are not connected. There are people who pay deposits much later and get power much quicker, depending on who they know at the KPLC. Since that is taxpayers' money, we must have a clear criteria so that people could understand why power is supplied to one group and not the other.

In my area, there is the Njuku Rural Electrification Project. They paid the 10 per cent deposit to enable them access benefits under the Rural Electrification Programme 15 years ago! Todate, they have not been connected in spite of a resolution of this House that they be connected. It appears that the Ministry is unable to control the KPLC, which implements the programme. It is useless to vote monies per district, or to ask us to approve the programmes in the District Development Committees (DDCs), if they will not be effected in the manner in which the DDCs or Parliament have authorised.

I think the reason for the lack of accountability on the implementation of the Rural Electrification Programme is mainly because nobody supervises what happens at the KPLC. Ever since this House removed the requirement that the KPLC should be audited by the Auditor-General (Corporations), there has been a lot of apparent mismanagement which this House has no control over, and cannot even tell the extent. It is time we got all Government parastatals, and especially the KPLC, audited by the Auditor-General (Corporations). It is not right for anybody who implements

programmes on behalf of the taxpayers to go without audit. They can be exempted from provisions that are cumbersome, but the provision of audit is a must for the sake of transparency and accountability.

Mr. Temporary Deputy Speaker, Sir, on behalf of the people of Gichugu, I say that we have lost confidence in the manner in which the KPLC is implementing the Rural Electrification Programme. We want an audit of all the activities of the KPLC, so that we can know our money is safe. It is the responsibility of the Ministry to give us the criteria on how to access those funds. We are also saying that it must be on a first-come, first-served basis. There must be proper records of who pays the 10 per cent, who fulfils the requirements, and at what time, to be able to know who will be connected next. There is a contradiction between the role of the Ministry; with the KPLC on one hand, and the DDC on the other. The KPLC may accept deposits from the consumers on behalf of the Ministry, for the Rural Electrification Programme. But when it comes to the DDC, it prioritises projects that are more recent and those that have paid deposits. It is the role of the Ministry to harmonise that and ensure that we have a transparent and accountable system.

Mr. Temporary Deputy Speaker, Sir, without electricity, there are negative impacts on education. Students in our secondary schools cannot conduct their studies in the evenings; they cannot conduct certain learning activities. In the health sector, only too recently, people have died in the operating theatres.

Mr. Temporary Deputy Speaker, Sir, could you save me from those loud consultations by the Ministers on the Front Bench?

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Kalweo!

Ms. Karua: It is Dr. Anangwe!

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Kalweo! Could you consult quietly?

Ms. Karua: Thank you, Mr. Temporary Deputy Speaker, Sir, for that protection. I was saying that recently, people have died on the operating tables in hospitals because of power interruptions. That should make the Ministry to re-think its strategy, "eat humble pie" and admit that, it has been unable to provide that particular vital service to Kenyans. It should go back to the drawing board, and see how to plan for the required power generation to serve our increasing demand.

One wonders why we have the KenGen and the KPLC. Although we are told that the KenGen is for generation and the KPLC is for distribution, do we need them for doing that? We want the Ministry to answer those questions. Both parastatals need a certain levy from the money collected from the consumers to survive. It has made electricity to be a very expensive commodity in Kenya. If it is not something to do with having too many bodies which are all depending on the consumers, could the Ministry tell us what intervention it is making, to make sure that energy is affordable? It is not just power. We are also talking about fuel and other forms of energy.

Mr. Temporary Deputy Speaker, Sir, I think that it is immoral for taxpayers or consumers to be made to pay more for electricity to cover for the mismanagement, when the managers are not being changed. Nothing is being done to increase efficiency. I think the Ministry owes an explanation to power consumers on why they are paying more for a service that is ever declining. We expect to hear what the Minister has to say, and what is being done to rid the energy sector of the problems that are currently crippling it. Could we also have the appointment of such heads of parastatals vetted by Parliament? That will ensure that it is not political cronies who will end up in those offices.

Mr. Temporary Deputy Speaker, Sir, it is very wrong to set priorities in the energy sector towards achieving political goals. On a number of occasions, especially when there is a by-election, we have seen power being supplied to certain areas to win votes for the ruling party, KANU. Therefore, the KPLC is now synonymous with an organ of the ruling party, KANU. We need to delink this, otherwise, KANU as a party should fund this particular parastatal and not the taxpayers. It is time the managers of this parastatal and the Ministry realised that they are accountable to the people of Kenya and that, we are ready to say "no" to the mismanagement of the parastatal. We shall show our displeasure by rejecting the Vote of the Ministry, if there is no change in how the Ministry is conducting its affairs.

Mr. Temporary Deputy Speaker, Sir, I beg to support the Vote with reservations.

The Assistant Minister for Education, Science and Technology (Mr. Awori): Thank you, Mr. Temporary Deputy Speaker, Sir, for allowing me to join my colleagues in supporting this Motion. I listened to the Minister when he was moving the Motion and although what he said was obvious, it is of great concern to realise that 80 per cent of our energy is still woodfuel.

During the rationalisation of Ministries about 18 months ago or so, I would have been very happy to have seen the Ministry of Environment and Natural Resources and the Ministry of Energy come together to complement each other. I am saying so because the way woodlands and forests are being destroyed in order to provide woodfuel in the rural areas is very alarming. We are creating deserts! When we create deserts, we are interfering with the ecosystem. Consequently, wildlife, the birds, the butterflies and the flora that we used to see when we were children while looking after our fathers' cattle, are all gone. This is because the ecosystem has been changed to the extent that, frankly speaking, today, you cannot recognise what the ecosystem was some 40 or 50 years ago. That strengthens my

argument that the Ministries of Energy and that of Environment and Natural Resources should be under the same management. This is because they can supervise the maintenance of our forests by way of re-forestation. We need to take the deforestation of our forests very seriously because it is not only interfering with the ecosystem, but it is robbing us of the farmland to the extent that very soon, there will be no much land for farming, unless we employ very expensive methods of farming like the use of fertilizers and all that.

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

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

Mr. Temporary Deputy Speaker, Sir, it is, therefore, important that this Ministry intensifies its oil exploration in particular. We have been told by the Minister that the exploration has been going on since 1954. That is over 50 or so years ago. Surely, there must be oil of one kind or another somewhere within our country. I want to urge the Ministry of Energy to ensure that exploration of oil continues so that we can get more oil. When we are told that right now oil accounts for only 8 or 9 per cent of our energy supplies, it does not help us at all.

Mr. Temporary Deputy Speaker, Sir, with regard to electricity, the Minister said that it accounts for only 9 per cent. We know that has happened because there was poor planning. I think it is necessary to continue talking about this because if we had planned properly some 40 or 50 years ago, we would not have been in the situation we are now. It is known that hydro-electric power is cheaper and safer to use than most other sources of energy. What we need now is to put our power generating engines on rivers that are permanent. In the past, we have used seasonal rivers and we know what has been the result. There are still very many rivers that are permanent in different parts of the country which should be utilised. The question of planning for energy should be looked at nationally and it should be made long-term.

With regard to dam construction, we have been told that we are suffering now because the current dams are full of silt and it will cost us a lot of money to de-silt them. This is simply because those who planned and carried out the excavation of dams did not look at it in a long-term perspective.

Mr. Temporary Deputy Speaker, Sir, in China where they have many hydro-electric power systems, when they construct dams, the main intention is for the dams to last, not for 100 years but for 1,000 years because it becomes cheaper. When they construct dams that last for 1,000 years, they make sure that there is no ploughing, digging or interference with the land that surrounds the dams for, at least, half a kilometre distance. When they do that, there will be no silt in the dams and, therefore, there will be no expense of removing silt from the dams. I am suggesting, therefore, that we take a leaf from the Chinese and do exactly the same.

Mr. Temporary Deputy Speaker, Sir, with regard to rural electrification, first of all, I will want us to look at the Estimates alone. The Chair will agree with me that there is so little money in it that, I do not know how the Ministry intends to carry out the rural electrification programme. We know that, if we have to meet our target of industrializing this country by the year 2020, we must have sufficient electricity supply everywhere. But above all, it is necessary that we must take the electric power to the rural areas. It is in the rural areas that our population lives and we do not want to encourage our population to move to the cities because of lack of employment opportunities in the rural areas.

Our educational system has given us a start by encouraging the Jua Kali sector. Currently, the Jua Kali associations are almost everywhere within our country. If they have got to carry out their activities properly, they must have electricity. If they have electricity, then there will be no need for the country to import furniture from Spain or Italy because the furniture that will be produced by our Jua Kali artisans in the rural areas will be equally good.

Mr. Temporary Deputy Speaker, Sir, I want to join my colleague who talked about the KPLC. Indeed, I cannot understand why we should have two parastatals; both KPLC and KenGen. This gives a big burden to the consumers! With this, it leaves a big burden on the consumer. If you look at your bill it may be Kshs19,000 and yet, the consumption may be only Kshs9,000. The other Kshs10,000 is cess that goes because we have got these two parastatals, which frankly, I do not see their purpose.

Mr. Temporary Deputy Speaker, Sir, going to KPLC itself, I was very concerned to see that they have lost nearly Kshs2 billion in profits. How have they done this when the charges are three or four times what they were three years ago, at the time when they were making profits? This must be because of the bloated management and we now need to look into the management of KPLC because it is not only there to serve wananchi, but wananchi have got shares in it. We do not want to lose confidence in an organisation such as this. I suggest very seriously that we look into the management. Many times in this House, concern has been raised as to the way KPLC is being mismanaged. I think it is time that the pleas of the Members here and outside are listened to, so that we can make sure that KPLC is managed properly.

Mr. Temporary Deputy Speaker, Sir, finally, I just want to thank the Minister for the efforts he has made on the question of increasing the amount of electricity to industries. The small industries and most Africans have got small industries in industrial area, a good number of them have gone out of the place because of rationing. Rationing has hit them very hard.

With that, I support the Vote.

Mr. Shitanda: Mr. Temporary Deputy Speaker, Sir, thank you for giving me this chance to contribute on the Vote of the Ministry of Energy. I will start by talking about oil companies in this country. All of us realise the importance of oil to our economy. It is a pity that as a country, we do not drill our own oil, but we have to depend on imports. However, there is a cartel of the big oil companies in this country which are fleecing the common man through exorbitant charges on oil products. Whenever we have an increase on any oil products, this increase trickles down to the common man through price increases of other commodities. Time has come when, maybe we should bring a legislation to this House to put in place a mechanism for controlling the prices of the petroleum products. This is because the collusion between the big oil companies is making life very unbearable for the common man. In most cases, the big oil companies seem to be taking advantage of the crisis in the Middle East to increase the oil prices as they wish. Maybe, as soon as we are done with the Interest Rates Bill, we should bring another one to this House to try and put regulation mechanisms in place, so that the Government is able to control and protect the common mwananchi against exploitation by oil companies diversify.

Mr. Temporary Deputy Speaker, Sir, the Minister talked about exploration of oil in this country and its costs. While we all support the Government's efforts in trying to explore for oil in various places of this country, these exploration contracts are normally awarded to international companies and it is my fear that some of these drilling companies which are trying to explore oil in this country are affiliated to the oil companies that control the market in this country. The Ministry must seek ways of trying to diversify the issue of tenders, to make sure that those companies that are being awarded tenders to carry out exploration of oil in this country, are not affiliated to any major oil company in any way. Also, the huge sums of money involved in exploration have got to be utilised in a proper and accountable manner. It is our wish that any money invested in the exploration of oil should be invested in areas where some potential for oil discovery exists, other than being invested in areas where some politicians have vested interests and want to use the opportunity of exploring for oil to line up their pockets.

Mr. Temporary Deputy Speaker, Sir, there is the Rural Electrification Fund in this country. This Fund has been disbursed in very interesting ways. We have had areas which are very much in need of electricity; that is areas which ought to qualify for this Fund but the way the Fund has been utilised, it leaves a lot to be desired. We have a whole district in this country without electricity and when you go to other areas, you find small village markets and grass-thatched houses with electricity. Some areas without any economic contribution to this country have electricity, while areas with a lot of agricultural output and economic potential for this country do not have it. An area like Lugari which is a district is one of the most productive areas in this country and yet, it does not have electricity. Yet, you go to some very barren areas and you will find that they have plenty of electricity, all coming from the Rural Electrification Fund. We urge the Ministry to try and change the manner in which these funds are distributed and used. For instance, in the last financial year, Kakamega District was allocated Kshs220 million from the Rural Electrification Fund and only Kshs6 million was utilised. So, we wonder whether these allocations are just paper allocations or there is normally some funding that is diverted to other areas.

We are going through a power crisis in this country. Currently, we are experiencing power rationing because of poor planing which was occasioned many years ago. The way dams were distributed in this country is what has brought us to the current situation of power rationing. It is unimaginable that a single river has five dams and yet, River Nzoia which is one of the biggest rivers in this country has none. The issue of distributing national resources on the basis of politics is what has brought us to the current stage. The Government must move away from this practice of distributing projects on the basis of politics.

Mr. Temporary Deputy Speaker, Sir, private power generators were introduced recently when we ran into this crisis. Hon. Members have talked about the inability of KPLC to do what it is supposed to do. I would urge the Ministry to look into the possibilities of decentralising some of the key functions of KPLC, so that most of its work can be done on regional basis. I believe there is too much load on KPLC and the quicker we started decentralising some of their functions, the better for this country. There is too much duplications between the functions of KPLC and the KenGen. The Government should look into that area, especially, if it is serious about restructuring our parastatals and Civil Service.

Mr. Temporary Deputy Speaker, Sir, the Ministry should also consider allowing private power generators to go into full-scale power generation rather than limiting them on the distribution and procurement of generators and other small-scale power generation equipment. They should be allowed to explore areas of geothermal, solar and nuclear power which is quite untapped.

Mr. Temporary Deputy Speaker, Sir, the Government waived the duty on generators when we ran into the

power crisis. However, it is interesting to note that even after the waiver of duty on generators and on the diesel for running those generators, the cost of generators and power in this country is still high. The Ministry should seriously look into that area because the prices of generators are still high.

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

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, in supporting the Vote of the Ministry of Energy, I also want to give suggestions as to what we should do to make our nation energy sufficient. It is sad that we have allowed the plants built in colonial days to continue controlling power generation in this country. It is sad that almost 40 years after Independence, all our hydro-power stations are located along one river.

I laud the recent decision by the Government to build the Sondu Miriu Power Project. This should have been done long time ago. We ought to have built dams along Yala, Nzoia and Nyando rivers. This is because all rivers in the highlands west of Lake Victoria have a higher water catchment potential throughout the year than the rivers east of Lake Victoria. If only we can build hydro-power plants along those rivers, we will generate enough electricity for this country throughout the year. Those areas experience conventional rainfall and have a high gradient. Therefore, they can support several dams. For example, the Webuye Falls is an obvious case. If only we can get a settlement scheme for a few thousand people, then we can build a hydro-electric power station which will generate a lot of megawatts. It is not yet late for us to do something over this problem. We can carry out feasibility studies based on the distribution of rainfall in this country, so that we do not say, again, that we do not control rainfall. Along the river Yala there was a small hydro-power station during the colonial days. Those are some examples we should have emulated. If we build dams along Yala, Nzoia and Nyando, we will not only generate electricity, but also control floods in the lower areas and produce sufficient rice. There will be no need of importing rice from other countries which have fewer rivers than us.

Mr. Temporary Deputy Speaker, Sir, I also want to question the wisdom of using diesel power generators. If we can use thermal stations or steam turbines, then I believe we can also use coal to generate electricity. If we import coal from South Africa and build power stations along the Coast Province, we can then generate enough electricity for this country at a much lower cost than that of diesel. Diesel is a very expensive fuel and its price fluctuates with the world politics. You never hear of coal prices fluctuating because of the problems of the world. In any case, if coal contributes to the global warming, then so does diesel because it produces the global warming gases. I believe the Government must take this seriously and move away from using only diesel to generate electricity.

Mr. Temporary Deputy Speaker, Sir, I know that the oil prices are controlled by forces outside our country. Although we have liberalised our economy, there should be some control on the oil distribution companies. When the price of petrol is Kshs60 per litre, the multiple effect on the economy is disastrous. For example, *matatus* are now charging exorbitant fares because of the high prices of fuel. Everybody in this country is suffering as a result of the high prices of fuel. Whereas we have allowed liberalisation in the oil sector, I think there has to be some control in the ways we allow oil companies to adjust prices every now and then. Oil companies should know that they are using foreign exchange generated by people of this country through agriculture, horticulture and small-scale industries. In fact, they are hurting those very people who generate the foreign exchange which they use to import petroleum products.

Mr. Temporary Deputy Speaker, Sir, I want to talk about the distribution of the Rural Electrification Programme. We must have a formula through which the Rural Electrification Programme is decided. At the moment, the decision as to which areas will be supplied with electricity under this programme is made haphazardly. There is a lot of political bias. I believe that the best way out is to come up with a scheme like the one for the District Roads Boards (DRB), where all districts will be allocated equal amounts of money as much as possible, for rural electrification. The decision as to which areas are to benefit should be left to the districts. It is absurd to find that a project which has never been discussed or prioritised by a particular district is supplied with electricity. This is done to the benefit of one or two individuals. It is not fair. I would request that the Ministry brings a Bill to the House to control the distribution of the Rural Electrification Fund. Even it is donor-funded projects, the local people through the DDCs should prioritise which projects are going to benefit. Why do we have the DDCs if the donors are the ones going to decide which particular project is going to be financed?

Mr. Temporary Deputy Speaker, Sir, while talking about Rural Electrification Programme, it is sad to note that even where there are lines which have been laid and power is flowing through, the KPLC does not seek to maximise the use of those lines. The lines fly over schools or rural markets, but those institutions are not supplied with electricity. I will give an example so that they can understand what we are saying. In my constituency of Mosop, from Kaiboi Catholic Mission all the way to the repeater station, which was built by KPTC at Chepterwai--- The KPTC at that time paid KPLC to take the line from Kaiboi to their repeater station. The wires pass through schools, hospitals and markets, but nobody is maximising the power. Schools like Kurkung' Kirwa Secondary School, Kimng'oror Health Centre and others are just bypassed and yet, people have contributed the 10 per cent required for the Rural Electrification Programme. I think we should change the current policy of Rural Electrification Programme because it causes a lot of ill feelings. When people see the wires just passing by and yet they have paid the 10 per cent deposit, they get

disappointed.

With those few remarks, I beg to support.

Dr. Oburu: Thank you very much, Mr. Temporary Deputy Speaker, Sir. It is obvious that no country can claim to be developed if it does not have sufficient electricity. We claim to be an agricultural country, but we do not want to be an agricultural country forever. We must move towards becoming an industrial nation. We cannot achieve that status, if we do not have sufficient base of energy supply.

I do not understand some of the policies, particularly pertaining to the Ministry of Energy. For example, the exploration of oil is mainly in the hands of foreign firms. It is very necessary for the Government to define exactly the terms under which those foreigners are undertaking exploration of oil in the country. We have had a situation at the Coast Province, where foreigners were allowed to carry out exploration for oil. There are now several terms that are unfavourable to this country following the discovery of titanium. Oil is even more important than titanium. We would, therefore, like the Ministry to come up with clear policies; it should make it clear that whoever is in the country prospecting for oil is doing so with a very clear agreement that, on discovery, the oil will remain this country's property and Kenyans will not be paid peanuts or subjected to unfavourable terms. This country's land and other resources are owned by its people.

Mr. Temporary Deputy Speaker, Sir, I also think that the Ministry is being very unfair on the issue of taxation. Oil products have become very expensive. I tend to blame our people. We are a bit passive. When oil firms increase the prices of oil products, people do not protest. When oil prices are increased in Great Britain, you find trucks blocking the roads and people react instantly. This forces that country's Government to come up with instant decisions to solve such issues.

On average, the Kenya Oil Refineries sells refined oil products at Kshs19.00 per litre. However, the Government charges taxes on those products, amounting to Kshs26.00 on average, thus raising the average consumer price of oil products to Kshs45.00 per litre. Why should the Government tax oil, which is the most important input for industry? If the Government reduces tax on oil products, this country's economy will improve. The agricultural sector and industry will boom and thus the Government will collect even more tax from these areas than it now collects from oil products. Why should the Government not consider the ordinary people? When oil prices go up, they affect production in industry, the transport sector, farmers as well as the ordinary man. It is, therefore, very necessary for the Ministry to review its policy pertaining to oil taxation.

In this country, we have monopolistic tendencies by the multinational oil firms. Recently, we had a merger where Esso Oil Company was bought by Mobil Oil Company. This is a monopolistic tendency by those two firms. This country has laws in place regarding monopolistic tendencies. We have not heard any word of guidance from the Ministry of Energy regarding this development. BP Shell Oil Company is also "swallowing" Agip Oil Company. We have not had any guidance from the Ministry of Energy regarding these developments, yet we have laws guarding against monopolies.

Multinational oil companies are merging in order to defeat the purpose of competition in the oil industry. They want to kill the upcoming independent oil operators, and this is neither in the interests of consumers nor in the interests of this country. The Ministry of Energy which is the custodian of the Government's policies regarding the oil industry, and which is supposed to implement the laws regarding monopolistic tendencies, is not saying anything about these very serious developments.

Mr. Temporary Deputy Speaker, Sir, regarding the question of supply of energy in the country, we know that over the years, there has been mis-planning. It is as a result of that, that we have landed into a serious situation of shortage of power. We know, for instance, that there was mis-investment in the Turkwel River, where there is no sufficient supply of water. A huge investment was made, and the taxpayers of this country will continue to service the loan which was borrowed to construct it because it shall never generate sufficient funds to service its own debt.

The Minister for Petroleum Energy (Dr. Masakhalia): On an point of order, Mr. Temporary Deputy Speaker, Sir. Is hon. Dr. Oburu in order to assert that the Turkwel Gorge Project will never be viable when, currently, it is generating 106 megawatts of electricity and is full of water?

Dr. Oburu: Mr. Temporary Deputy Speaker, Sir, by generating 106 megawatts, it does not mean that it is viable. I am saying that whatever it is generating will never generate sufficient funds to service the debt which was borrowed in form of a loan. It is one of the projects in the history of this country where a huge "kick-back" was given, and that is known. There were other sources of water like River Nzoia, Yala and Sondu Miriu, but they were ignored in favour of a small river, which does not generate sufficient water.

In the Estimates, there is an allocation of Kshs150 million for the Rural Electrification Programme (REP) Phase II. Then, there is levy amounting to Kshs109 million, which has been broken down per district, and we know its use. But regarding the other Kshs150 million, we are not being told how our districts will benefit; which district will get what. It is important that the money allocated to this Ministry is spent in a transparent manner, so that we benefit from

that allocation.

Mr. Temporary Deputy Speaker, Sir, I also want to say that supply of electricity around Lake Victoria is very important - for construction of cold-storage. For those of us who come from that area, "fish is our gold," and the same policy that is applied to other regions should also be applied to our region. For example, we have allocated about Kshs120 million for electrification in coffee-growing areas, but why is there no money for electrification of fish-related projects along Lake Victoria, so that our people can also benefit from the REP?

Another issue which was mentioned by a colleague is the issue of electrical wires flying over markets. When the REP was planned, there were major markets and schools which were supposed to be serviced. You will find that in my constituency - from Kisian going to Bondo, and through Usenge - there are several important markets which were originally earmarked to benefit from the REP. But they have not benefitted; wires are just flying over the areas, although we were told that they were supposed to benefit. For example, Ajigo Market, which is big, is not benefitting and yet, the wires are just flying over it. At Kambanjo Market, electrical wires are flying over, and it is of no benefit. We also have a chief's camp and Maranda Market which are not benefitting.

It is important that when the REP starts, priority should be given to areas where electrical wires pass through, instead of servicing very far away areas. For instance, in Bondo Township, there is supply of electricity here and there, but it is insufficient to service the businesses there. This is because the transformers which were brought were small and cannot service posho mills or any industry and yet, the small traders who own posho mills require power in order to make any meaning of the supply of electricity within Bondo Township.

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

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, the Ministry of Energy is important in this country, but it has not lived to that.

Right now, the Kenyan economy is losing at least Kshs8 billion every month in under-production because of lack of power. This situation has arisen because there has been poor planning in this Ministry. This Ministry does not listen to Kenyans. In the last several months when we have had power rationing, the Ministry has been running from country to country trying to look for funds, not to invest in developing the generation of our local electricity, but to buy generators to be used for a short period of time. This Ministry has moved to the Treasury and they have sought duty waiver on parts of generators and fuel that is consumed. This fuel is not consumed by Kenyans, but by a few people who live in towns.

I am surprised that this Parliament can condone that poor method of using the taxpayers money. As my colleagues said, I would have thought that this crisis would have awakened the people in the energy sector to start constructing electricity generating plants on rivers Nzoia, Nyando and Kunya. In fact, they can even do it on the stream which passes by my home at Kegogi. They are not doing that! They are instead enriching these dukawallahs in town here. They are enriching the Asian community in this country by allowing them to import these generators duty-free as if next time we will not have a drought. I would also have thought that they would have invested heavily, in the last few months, in the generation of power from OI Karia, but they are not doing it. They are telling us that we will have power from OI Karia two years from now, the reason being that they do not have funds to invest there and yet they have sought Kshs11 billion in assistance for generation of power.

We have the Rural Electrification Programme, but you cannot see it anywhere in the country. We have been promised year-in-year-out that we will have so much rural electrification in such and such a place in the country. I would have thought that the Ministry would provide rural electrification in all urban centres in this country. That way, we would benefit, at least, in those urban centres because we would have transfer of settlement and people who might have the means to pay for electricity.

We should have rural electrification at Kisii Town, Mosocho, Marani, Kegogi and Manga. These are people who are hardworking; these are people who can afford to pay for that power and can produce goods for this country, but they do not do that. These people look for well-connected people wherever they might be to give them a line which is 100 kilometres long without distributing it to the people who are in between. That programme has been mismanaged. They take money from people, for example, in my constituency, the people of Raganda paid money for the Rural Electrification Programme about five years ago. They paid the required 10 per cent five years ago, but to date, not a single pole has been put in that place and, yet, the Ministry says that it exists.

Power distribution has not been liberalised. We have got one power distributor in this country, who distributes power in the entire country. Why can we not liberalise power distribution in this country, so that we can have different companies supplying power in North Eastern Province, Coast Province, west or south? Why should we have one power distributor in the entire country? Why should we have one company distributing power to 30 million people? How will it do it? I would have thought that this Ministry would seek funds to expand substantially the Rural Electrification Programme, decentralise and liberalise power distribution. I would have thought that the two companies, the power generating company and the KPLC would have been de-linked by now, but they are being controlled by the same

person who used to control them when they were combined together.

There is this nonsense that has been brought in the Finance Bill and in this Ministry; the waiving of duty on fuel consumed by specific consumers. I strongly recommend and believe that this House will not allow a few people to be given that facility; the facility of not paying duty for the fuel that they consume. If we must waive duty on fuel, then it must be for all fuel consumers who are Kenyans.

In the last one year, the Chair has seen the price of petroleum products double in the guise that we have liberalised the economy. A year ago, we could buy a litre of super petrol at Kshs37, but today, we buy it at Kshs60. We have increased this price and, therefore, it has got the impact of raising the prices of various commodities and services. We are doing it at a time when the proportion of people who live below the poverty line is 70 per cent. How will they afford these services and goods whose prices have escalated? I have from time to time seen the Minister "mourning" on the television screen that the price has increased and begging the oil companies to reduce the price, which they do not do. I wonder why we have a Minister! These Ministers are the ones who are destroying our beloved Government. They do not do their job well.

Hon. Members: Tell them!

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, they allow these people to loot from Kenyans. No wonder the *Mzee* is saying that he has got to come in and assist us. The Ministers he has appointed are not doing a good job for this Government. They beg those Europeans and Asians to reduce the prices. These are the kind of Ministers we have got in this country. They go and get a few shillings for Harambee and leave the people to continue with the mismanagement of our economy.

I wish to seek that the Minister comes up with a Sessional Paper on the prices of petroleum products in this country. The small traders in petroleum products are leaned on by cartels of international companies, who claim that they work under market forces. What market forces when you do not consider the means of the people who buy your products? When they increase the prices beyond the reach of most Kenyans, what market forces do they talk about? The Minister should go back to his books and do a good job for the President who has appointed him in the Government.

With those few remarks, I beg to support.

Mr. Munyao: Mr. Temporary Deputy Speaker, Sir, thank you for giving me a few minutes to say a few words to the Minister for Energy and the "Development of Darkness". I know that the Minister is very hard-working.

Mr. Katuku: On a point of order, Mr. Temporary Deputy Speaker, Sir. Did you hear hon. Munyao call the Minister "the Minister for Darkness?" Is there a Ministry known as the "Ministry of Darkness?"

Mr. Munyao: Mr. Temporary Deputy Speaker, Sir, I did not call him "Minister for Darkness!" I said that he was the Minister for Energy and "Darkness Development" because he is developing energy on one side, and developing "darkness" on the other. He shares power between day and night. I was even going further to say that, in the Bible, there is a verse - I do not know which one - that says that when God created things, he said: "Let there be light". There was light. But the Minister and the KANU Government say: "There shall be darkness in Kenya". How do we gauge those two things? I sympathise with the Minister because he is trying to "put a square peg in a round hole." It will be totally impossible, but we will be with him. With all the commitments that he has, he needs total commitment. There is no commitment from the Government. I wish he could borrow a small leaf from the DP's Manifesto, of what we could have done if we were in the Government. In any case, we have now been in darkness for more than three years. Within two years, we will be in the Government and hon. Gumo will have light throughout, from here upto Malakisi and other areas. Today, people travel to the countryside. They are more comfortable in the countryside than in town. In urban areas, it is total darkness. Insecurity is uncontrollable because of those factors. I have no sympathies because if KANU has failed to do anything else, what about energy, which is so difficult to develop?

Mr. Temporary Deputy Speaker, Sir, when the Minister will stand up to reply, although I still reserve my comments, I am tempted to propose a reduction of a K£1 from his Ministry. But that will depend on how he will answer. There are two things that I would like the Minister to explain.

First, we are told that the hydro-power, which was developed in some dams, for example in the Masinga Dam and the other chain of dams, was reduced because water dried up. I would like to tell the Minister that, I have got a smaller dam at home, near Masinga. It has not dried up. How come that the Masinga Dam has dried up when it has got all that water? There has been speculation that water it was let out. We want the Minister to tell us what happened. What caused the water to drain out of the big dams? I have got a smaller dam than Masinga. It has sustained itself in this dry weather and it has not dried up.

Mr. Temporary Deputy Speaker, Sir, the other point is that when the Masinga Dam and the other chain of dams were being developed, there was a World Bank Agreement inserted in the agreement. The agreement was that 2 per cent of the monies generated from the dam will be applied to develop the environment of the Masinga area. How come that, even after the development of power, people of the Masinga area and the entire Ukambani only enjoy seeing

flyovers, chains and wires taking power to some areas? The 2 per cent, which is now equivalent to several billions of shillings, was not only in power. The power agreement was that the entire Ukambani will be provided with power before it was taken to other areas. But from that date, people only enjoy seeing wires taking power to other areas. What happened to the 2 per cent?

Mr. Temporary Deputy Speaker, Sir, power is very important for any economy. Power affects all modes of production. Experts have told me that the hydro-power that we have in Kenya is like a savings account. If you put money and just continue withdrawing, there will be nothing!

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Imanyara): Order, hon. Munyao! You will continue for the balance of your time tomorrow.

It is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Wednesday, 25th October, 2000, at 9.00 a.m.

The House rose at 6.30 p.m.