

NATIONAL ASSEMBLY

OFFICIAL REPORT

Tuesday, 19th October, 1999

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

ORAL ANSWERS TO QUESTIONS

Question No.450

COLLECTION OF FUNDS BY
KITUI DISTRICT COMMISSIONER

Mr. Speaker: Mrs. Ngilu is not here and so, that Question will be stood over for the moment. Next Question.

Mr. Leshore came to me and requested that his Question be deferred. So, I will defer it to next week.

Question No.472

RELOCATION OF MILITARY DESIGNATED AREA

(Question deferred)

Question No.499

UNIVERSITY GRADUATES FROM
NORTH EASTERN PROVINCE

Mr. Shill asked the Minister for Education, Science and Technology-

- (a) how many Kenyans from North Eastern Province have graduated or attained a university degree since Independence;
- (b) how many of them are graduates from Kenyan universities;
- (c) how many Kenyans from North Eastern Province are now undergoing degree courses in our state universities; and,
- (d) what steps the Government is taking to encourage and facilitate Kenyans from this region to join our state universities.

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

(a) My Ministry is not in a position to give accurate information on the number of Kenyans from North Eastern Province or from any other region of Kenya who have graduated since Independence. This is due to the fact that we are not aware of those who have pursued university education in foreign universities and local private universities without informing the Ministry.

(b) I have instructed the Joint Admissions Board (JAB), which is charged with the responsibility of coordinating admissions into public universities, to update the admissions record from the time Kenya established a university. I will avail to this House the statistics of those people from North Eastern Province who have graduated from local public universities once the JAB completes the exercise.

(c) The JAB is currently processing returns from the public universities for the 1999/2000 academic year, to ascertain those applicants who have taken up the degree courses offered to them. I will equally avail the number of students from North Eastern Province, currently in the public universities as soon as possible.

(d) To encourage and facilitate Kenyans from North Eastern Province and other disadvantaged areas to join the public universities, the Government has put in place the following strategies:-

(i) Applicants from the region are favourably considered by the Higher Education Loans Board (HELB) when they apply for loans.

(ii) HELB also gives favourable consideration for bursaries to the needy applicants.

(iii) The JAB gives consideration in competitive degree programmes by lowering the cut-off points for a given programme in order to accommodate applicants from the region.

(iv) The Government also encourages qualified students from the region to apply for admissions into the parallel degree programmes.

Mr. Shill: Mr. Speaker, Sir, I am not satisfied with the answer given by the Assistant Minister. By asking this Question, I wanted to show that the number of graduates from North Eastern Province who have gone through our state universities is far much less than from other parts of the country. The answer which the Assistant Minister has given on the measures that the Government has taken to facilitate Kenyans from North Eastern Province to join the universities is not very convincing. Is the Assistant Minister aware that there are very many students from North Eastern Province who have been denied loans by HELB and have been discontinued from the universities because of lack of money?

Dr. Wamukoya: Mr. Speaker, Sir, if we consider statistics, chances are that students from North Eastern Province are given more loans than students from any other place. So, North Eastern Province gets more loans by application than other places.

Dr. Ali: Mr. Speaker, Sir, if there are no students who have qualified from those schools because of lack of proper facilities, whom will the HELB give loans? What are you going to do to improve the facilities in the few schools in North Eastern Province?

Dr. Wamukoya: Lack of facilities affects very many schools in the country. So, it is a question of competitiveness with the little facilities that are available in all areas of the country.

Dr. Omamo: Mr. Speaker, Sir, before one can go to the university, one must have finished secondary education. Before one goes to a secondary school, one must have completed primary education. So, this thinned at the university level is affected very much at the lower level. What is the Government doing to improve the lower level of education in the North Eastern Province? We have suggested in this House that the Government should consider encouraging boarding schools for these nomadic people. What is the Government doing to provide boarding schools for the pupils in that area? It is by so doing that the level of education will go up, and there will be more students at the university level from that area.

Dr. Wamukoya: Mr. Speaker, Sir, the hon. teacher of mine has just stated that the Government policy in the semi-arid areas is that we encourage more primary boarding schools than we have in other areas.

Mr. Shill: Mr. Speaker, Sir, the Assistant Minister is misleading the House by saying that there are cut-off points for a given programme in order to accommodate applicants from the region. I want to inform the Assistant Minister that there are so many students who have attained grades B+ and A- but have not been admitted to the public universities. Could he, therefore, confirm that if I furnish him with the names of these students who have attained the above points, he will admit them in the public universities?

Dr. Wamukoya: Mr. Speaker, Sir, I would want to inform the hon. Member that the Joint Admissions Board (JAB) does not just consider the grade alone. They also consider the cluster and the points in the cluster. So, it is possible that a student who is interested in doing a certain course can attain grade B+ but does not attain the pass-mark for a particular cluster. However, I stated that in any case, people from the disadvantaged areas get better consideration than those from the advantaged areas.

Mr. Shill: On a point of order, Mr. Speaker, Sir!

Mr. Speaker: I will have to be even-handed. Mr. Otieno Kajwang's Question.

Question No.535

COMPLETION OF MBITA ICE PLANT

Mr. Kajwang asked the Minister for Agriculture:-

(a) when the Department of Fisheries will complete the Mbita Ice Plant which has stalled for the last 15 years; and,

(b) whether he is aware that fishermen continue to suffer loss of fish due to lack of cold storage facilities around Lake Victoria.

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

(a) Construction of the Mbita Ice Plant has not stalled. However, it has progressed slowly due to inadequate budgetary provisions. The plant is at an advanced stage and will be completed fully during this financial year.

(b) My Ministry is aware of the predicament fishermen face due to inadequate ice facilities. It is with this in mind that the Mbita Ice Plant Project was initiated.

Mr. Kajwang: Mr. Speaker, Sir, the Assistant Minister has said that the Mbita Ice Plant has not stalled but has progressed slowly. The point that I want him to reply to is: If a project was started 15 years ago and up to now it has not been completed, do you call that stalling or slow progress? Is it not an abandoned white elephant?

Mr. J.D. Lotodo: Mr. Speaker, Sir, I would like to assure the hon. Member that it is not a white elephant. However, the problem was due to the fact that in the tendering procedure, the World Bank wanted another construction company and yet, there was another company called NOCONSULT which bid at a lower price for the construction of the ice plant. Therefore, the Government had to decide to take over the project.

Mr. Otula: Mr. Speaker, Sir, can the Assistant Minister tell this House when the Ministry will actually be able to complete this particular "iceberg?" Can he give a definite time?

Mr. J.D. Lotodo: Mr. Speaker, Sir, I would like to assure the hon. Member that the Government has spent over Kshs20 million and in this financial year, we have Kshs3 million for it and we intend to finish it as soon as possible.

Dr. Oburu: Mr. Speaker, Sir, the chronology of conflicts between constructors is a clear indication that actually the problem was the "eating"; that there were people who wanted to "eat" into this project, and the question is not money. Can the Assistant Minister confirm or deny that actually, this project could have been completed a long time ago had it not been for people in the Fisheries Department who wanted to "eat" into it?

Mr. J.D. Lotodo: Mr. Speaker, Sir, as I stated in my answer, there was a construction firm funded by the World Bank, and there was a conflict by the donors on which construction company should be awarded the tender. Therefore, the Government had to take the role of funding the project by itself. So, the question of "eating" does not arise.

Mr. Kajwang': Can the Assistant Minister confirm or deny that the problem with this project is that some foreign fish trading companies would wish to buy our fish at throwaway prices, and the construction of this ice plant will directly interfere with their profits? Therefore the fisherman must continue suffering and sell his fish at a throwaway price so that these people can continue to make profits?

Mr. J.D. Lotodo: Mr. Speaker, Sir, as I said in my answer, I would like to assure the hon. Member that we will not allow any foreign country to "kill" our fishermen for that matter and that is why the Government is determined to complete the project this year. Therefore it has allocated Kshs3 million to this project.

Question No.415

REDUCTION OF WORLD OIL PRICES

Mr. Gatabaki asked the Minister for Energy:-

(a) whether he is aware that world oil prices have declined substantially, i.e., by 30 per cent since late 1997;

(b) whether he is further aware that despite the sharp declines in the oil prices, oil companies in Kenya have reluctantly reduced the prices of oil products by exceedingly very small margins, thereby denying Kenyans the benefit of huge savings in their oil bills; and,

(c) by what percentage the Kenyan economy has benefitted from lower import charges for crude oil, and why the oil companies have refused to reduce their prices to Kenyan consumers by similar percentages of the plunge in international oil prices.

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

(a) The Ministry of Energy is aware that world oil prices in US\$ terms fell in the period November, 1997, to February, 1999. Because of continuous fluctuations, it is difficult to precisely quantify the price changes. From February, 1999, oil prices have again risen.

(b) I am also aware that oil companies have periodically changed the price of oil products by relatively small margins. For the period November, 1997, to February, 1999, petrol retail prices registered a modest increase arising partly from the depreciation of the Kenya shilling and an increase in crude oil prices.

(c) The economy mainly benefitted from lower crude oil and white oil import prices during the period November, 1997, to February, 1999, by lower outlets on importation. Following the de-regulation of distribution and marketing of petroleum products, oil companies determine retail prices for these products. Crude and retail prices of

petrol show trends of an average increase of 11 cents per litre in crude oil import prices as compared to an increase of 37 cents per litre in premium petrol retail price in the period November, 1997, and September 1999.

Mr. Gatabaki: Mr. Speaker, Sir, let me congratulate you for warning the Government Ministers about taking the Questions very seriously.

Mr. Speaker: Ask your question now!

Mr. Gatabaki: Mr. Speaker, Sir, but you must appreciate our concern because the Question is very well answered. However, my concern is directed to part "a" of the answer; that the Kenyan Government does not keep records about prices of oil, which is such an important commodity. Can the Government tell us what the Ministry of Energy is doing in not keeping records about oil imports in this country?

Mr. Chanzu: Mr. Speaker, Sir, there are a lot of efforts we are making to keep the records. The information I have given is out of a tabulation from the information that we keep.

Mr. Anyona: Mr. Speaker, Sir, towards the last Parliament, this Question came up in the House and Members wanted to know what policy mechanisms the Government had in place to make sure that Kenyans were not exploited by multi-national companies, and we were given such an assurance. It is quite clear that the price mechanism is not doing any good in the form of liberalisation of the energy sector. Can the Government tell us and take this opportunity to formulate a policy framework within which these companies can operate, so that they do not exploit the economy and Kenyans at large?

Mr. Chanzu: Mr. Speaker, Sir, concerning the process of reforms and liberalization, we are licensing small companies, but it will take a bit of time for them to penetrate into the market which already has large marketing companies.

Mr. Wamae: Mr. Speaker, Sir, could the hon. Assistant Minister consider issuing regular price lists, as the former Permanent Secretary (PS), Mr. Mutitu, used to do, in order to educate the consumers about the prices of these commodities, so that we can go to the companies which are offering fair prices?

Mr. Chanzu: Mr. Speaker, Sir, the new Permanent Secretary has been doing that, but not publishing the lists.

An hon. Member: Why?

Mr. Chanzu: Mr. Speaker, Sir, I am answering the question. We have just had changes! We are having new offices and the new PS has been doing it. We have been briefed on this and we are going to comply with what the hon. Member has asked.

Mr. Maore: Mr. Speaker, Sir, could the Assistant Minister clarify whether or not these multi-national companies are being used as scapegoats about the prices of oil in this country, while the 60 per cent of the pump price actually goes to taxes? So, what we are paying so highly is not the profit margin to the oil companies, but the insatiable desire for unlimited taxes by the Government. That is what the Minister should be able to tell this House!

Mr. Chanzu: Mr. Speaker, Sir, there is taxation, but as I said, I have got figures on the basis of which we are able to answer this Question.

Hon. Members: How much?

Mr. Chanzu: That is not the point!

Mr. Ndwiga: On a point of order, Mr. Speaker, Sir. The Assistant Minister owes it to this House to answer this Question. Is he in order to say that he has got the figures but they are not based on the statistics? We want to know the tax percentage of the pump price!

Mr. Speaker: Order! As a Member of Parliament, you ought to know that all taxation is approved by you!

Mr. Ndwiga: Yes, I know but we want to know!

Mr. Ndicho: Thank you, Mr. Speaker, Sir. Could the Assistant Minister tell us why, after deregulating the control of prices of petroleum products in this country, the Ministry has failed to establish a regulatory body to control the prices? The problem we have in the petroleum sub-sector is because we do not have a regulatory body to control the prices vis-a-vis the importers of the crude oil and the difference in the refined products. Could the Assistant Minister tell us when his Ministry is going to initiate the creation of a regulatory body in the petroleum sub-sector?

Mr. Chanzu: Mr. Speaker, Sir, I do not think that a regulatory body will be able to contain the prices in a liberalised economy. It is going to be based on the market conditions.

Mr. Gatabaki: Mr. Speaker, Sir, could the Assistant Minister tell this House why some of the oil companies seem to get preferential treatment; like Kobil Oil Company, which is owned by the "Total Man"? Why is it getting preferential treatment?

Mr. Chanzu: Mr. Speaker, Sir, I am not aware of that one.

Mr. Speaker: Mr. Adhu Awiti's Question is deferred to next week.

REHABILITATION OF
KARACHUONYO WATER PROJECT*(Question deferred)*

Mr. Speaker: Next Question, Mr. Muchiri!

*Question No.488*DISMISSAL OF KAMBA
MANUFACTURERS' EMPLOYEES

Mr. Muchiri asked the Minister for Labour and Human Resource Development:-

- (a) whether he is aware that Mr. Bernard Kiilu Muteti and 20 others were unlawfully dismissed on 31st August, 1998, by Kamba Manufacturers (1986) Limited;
- (b) when the said employees will be reinstated and paid their salaries, house allowances as well as other benefits; and,
- (c) what precautions he is taking to prevent such dismissal by some employers in future.

The Assistant Minister for Labour and Human Resource Development (Mr. Ethuro): Mr. Speaker, Sir, I beg to reply.

(a) I am aware of the wrongful dismissal of the 21 employees, Mr. Bernard Muteti included, in August, 1998. The trade dispute was reported to my office by the Kenya Chemical and Allied Workers Union which has been investigating the case, and findings are being processed in readiness for determination.

(b) Once the trade dispute is settled, as stated in part "a" above, the employer will be ordered to pay the salaries, house and leave allowances as well as other benefits accrued to the former employees. It is evident, from the preliminary findings, that chances of reinstatement are remote since the company is heavily indebted to its creditors.

(c) The Ministry has been and will continue to enforce the regulations governing termination of service by way of redundancy as stipulated by the Regulation of Wages (General Amendment) (Cap. 229) Order, 1994. However, the particular Act has certain shortcomings and is being reviewed in consistency with the entire review of the labour laws.

Mr. Muchiri: Thank you, Mr. Speaker, Sir. The Assistant Minister admits that these people were unlawfully dismissed, and it is now two years since they were dismissed, and they have gone back to their rural areas. When will they be paid their benefits since they are using a lot of money travelling from upcountry to Nairobi and the employer does not talk to them, and neither the Ministry of Labour and Manpower Development officials?

Mr. Ethuro: Mr. Speaker, Sir, the termination was done on 31st August, 1998. The trade dispute was reported to the Ministry in November, 1998. Since then, the rest of the legislation has effectively been effected in 1999.

Mr. Ndilinge: On a point of order, Mr. Speaker, Sir. It appears like this manufacturer belongs to Kambas. It is "Kapa" and not Kamba!

Mr. Speaker: What are you talking about?

Mr. Ndilinge: I am talking about this manufacturer, Mr. Speaker, Sir. It is "Kapa", not "Kamba".

Mr. Speaker: What is wrong with "Kamba"?

Mr. Ndilinge: It appears as if the manufacturer belongs to Kambas, Mr. Speaker, Sir!

(Laughter)

Mr. Speaker: Order! Mr. Ndilinge, I think that is the height of being frivolous. There is absolutely nothing wrong about Kambas manufacturing things, and they do manufacture.

Mr. Ethuro: Mr. Speaker, Sir, the name of the company is Kapa. I am not going to be thrown into the Kamba business. I am on industrial relations. This dispute was reported to the Ministry in November, 1998, and since then, the laid-down procedures according to the relevant law, were applied and it takes a while for action to be taken. What we have assured this House is that if the findings dictate that there will be need to pay those terminal benefits, because the requirement is that, once a company declares redundancies, they need to inform the labour office plus the Union, so that we can take care of the rest as stipulated in the law--- This case is before the Industrial Court, and I cannot,

therefore, be able to say precisely when this will be determined; it is being arbitrated, but we are convinced it will be sooner than later.

Mr. Gitonga: Mr. Speaker, Sir, is the Assistant Minister aware that there are several companies in this country, particularly in Nairobi, belonging to Asians who do not want to keep permanent workers; they employ them as casuals so that they do not pay them other benefits which, otherwise, the employees would be expected to be paid, like social security money and others?

Mr. Ethuro: Mr. Speaker, Sir, we have been made aware of similar cases but, strictly speaking, if somebody is hired as a casual labourer, he remains a casual labourer; If he is hired as a permanent employee, the terms for permanent employees are applicable to him. I would like to make it very clear to the House that the Ministry only enforces the terms of the collective bargaining agreement that is reached between the employers and the employees through trade unions.

Mr. Raila: On a point of order, Mr. Speaker, Sir. The Assistant Minister is misleading the House. He has said that if somebody is employed as a casual labourer, he remains a casual labourer, when we know very well that the regulations say that somebody cannot remain a casual labourer for more than three months. Is the Assistant Minister in order to mislead the House?

Mr. Ethuro: Mr. Speaker, Sir, I am not misleading the House. What I said is that if somebody is hired as a casual labourer, he remains a casual labourer for a period not exceeding three months. Maybe, the hon. Member misunderstood me because I did not specify the period within which one is supposed to serve as a casual labourer.

Now that he wants me to specify this, I would like to say that I am fully aware that one is not supposed to remain a casual labourer for more than three months. Employers know the law, and they play around with it. They cannot be caught flouting it because they do not keep a casual labourer for more than three months.

Mr. Muchiri: On a point of order, Mr. Speaker, Sir. Last time, the Assistant Minister assured this House that the labour laws would be overhauled because they are oppressive to workers. When is he going to do that?

Mr. Ethuro: Mr. Speaker, Sir, with your indulgence, could the hon. Member repeat the question?

Mr. Muchiri: Mr. Speaker, Sir, last time, the Assistant Minister promised this House that he would overhaul the labour laws because they are oppressing Kenyan workers. When will he do that?

Mr. Ethuro: Mr. Speaker, Sir, we have actually reviewed the relevant labour laws and forwarded them to the Office of the Attorney-General for the necessary legal framework, so that we can bring them to the House. So, we have done it, and the matter is in process.

Mr. Ndicho: On a point of order, Mr. Speaker, Sir. You have heard the Assistant Minister say that his Ministry has reviewed the labour laws. He promised us, at the beginning of this year, that the Ministry would review those laws. He has now told us that the Ministry has actually done it. I thought that it was Parliament that reviews laws before they are taken to the Office of the Attorney-General. So, is the Assistant Minister in order to mislead this House?

Mr. Speaker: The Assistant Minister is absolutely in order, Mr. Ndicho. It is the Attorney-General who drafts the thinking of Ministries into legal framework. Once that is done, the drafts are brought to Parliament for debate. So, he is in order.

Hon. Members, Mr. Maitha's Question is deferred. So, let us go to Mr. Kaindi's Question.

Question No.397

RE-ALLOCATION OF LATE OTIENO'S PLOT

(Question deferred)

Question No.522

REPAIR OF ROADS IN MAVOKO MUNICIPALITY

Mr. Kaindi asked the Minister for Local Government:-

(a) whether he is aware that the roads within Mavoko Municipality (Athi River) have not been repaired for a long time; and,

(b) what steps he is taking to ensure that those roads are urgently repaired.

The Assistant Minister for Local Government (Mr. Affey): Mr. Speaker, Sir, I beg to reply.

(a) I am aware that the roads within Mavoko Municipality (Athi River) have not been repaired for a long time.

(b) I have instructed the Mavoko Municipal Council to prepare a programme of work for the repair of the badly damaged roads within the municipality. The programme of work will identify the roads that can be repaired immediately, using the council's own financial resources, while the major ones will be repaired when the funds from the Local Authorities Transfer Fund are released to the council, starting January, 2000.

Mr. Kaindi: Mr. Speaker, Sir, Athi River is an industrial area; it boasts of being home to 57 industries, currently. Therefore, it generates much revenue to the Exchequer. However, the roads in that area have neither been re-sealed nor re-carpeted for a long time. The Assistant Ministry is talking about the municipality identifying the roads it can repair using its own financial resources. We are talking about a stretch of nine kilometres of road in a town that has 57 industries. Could the Assistant Minister tell us how much money has been set aside for the work programme he is talking about?

Mr. Affey: Mr. Speaker, Sir, the Minister instructed the council in July, 1999, to urgently repair the roads within the municipality on a priority basis. I have once again repeated this directive to the council. The identified source of revenue for the rehabilitation of these roads was the council's revenue collection and the Local Authorities Transfer Fund, which money will be available in January, 2000. All development programmes under local authorities are identified, prioritised and implemented by individual local authorities.

*(Messrs Kaindi and Ndilinge
stood up in their places)*

Mr. Speaker: Proceed, Mr. Kaindi!

Mr. Ndilinge: Thank you, Mr. Speaker---

Mr. Speaker: Order! Order! I gave the Floor to Mr. Kaindi. However, Mr. Kaindi pointed at Mr. Ndilinge and sat down, leaving the former to take the Floor. So, could I know what happened?

Mr. Kaindi: Mr. Speaker, Sir, Athi River is a town centre that is very familiar to most hon. Members. Usually, hon. Members visit that place over the weekends, and they know the roads we are talking about. However, I will proceed since you gave the Floor to me.

Four years ago, Mavoko Municipal Council forwarded the estimates to the Ministry of Local Government. The estimate of the cost of constructing the nine kilometre-stretch of road stood at Kshs38 million. Today, the Assistant Minister is saying that the council has yet to submit those estimates to the Ministry. So, could he tell us when the instructions he has talked about were issued? I can prove that the council prepared those estimates and forwarded them to the Ministry.

Mr. Affey: Mr. Speaker, Sir, I think I was very clear that the financial resources for the rehabilitation of such roads do not come from the central Government. Rather, councils raise their own revenues to meet the cost of repairing such roads. I said that Mavoko Municipal Council has to use its own revenue to repair the said roads.

Mr. Ndilinge: Mr. Speaker, Sir, from what the Assistant Minister has told the House, it appears that Mavoko Municipal Council ignored the Ministry's instructions, and that is why it did not repair the roads. Now, could the Assistant Minister dispatch a team from the Ministry go the municipality to inspect the roads and bring back the report to this House?

Mr. Affey: Mr. Speaker, Sir, that can be arranged.

Mr. Speaker: Very well. Hon. Kombe's Question is deferred.

Question No.420

COMPLETION OF BARICHO BRIDGE PROJECT

(Question deferred)

Question No.548

RELEASE OF CONVICTS BY
KISII RESIDENT JUDGE

Mr. Magara asked the Attorney-General:-

(a) what led to the release by the Kisii Resident Judge of all convicts whose appeals were pending before him, on 9th March, 1999; and,

(b) what he is doing in respect of several convicts whose appeal cases cannot be heard in good time due to delay in forwarding the said cases to the High Court.

The Attorney-General (Mr. Wako): Mr. Speaker, Sir, I beg to reply.

(a) In releasing the convicts, the Kisii Resident Judge stated:-

"Despite many repeated reminders, the trial court has not forwarded to this court its original record and/or copies of the typed proceedings and judgement".

(b) First, the Registrar has written to all the trial courts concerned, conveying the decision of the Chief Justice that they furnish the Registrar on or before 5th November, 1999, with written explanations for their failure to submit the court trial records.

Secondly, the Chief Justice has informed judges that in future, in cases of this nature, they should, prior to making a final determination, summon the trial magistrate to give reasons as to why the records from his station have not been submitted to the High Court. Thirdly, the issues of equipment, logistics and increasing efficiency of the Judiciary is being addressed by the implementation committee of the Kwach Report, the Legal Sector Reform Committee, which I appointed, and the Government.

Mr. Magara: Mr. Speaker, Sir, in the beginning of this year, when there were several transfers of magistrates all over the country, most of them from this region were never transferred, and yet they have been in those stations for more than five years. In fact, some of them have gone as far as being board members of various schools in the locality. The Attorney-General has clearly stated that the Judge said that he could not get the records from the lower courts to hear those appeals. When this issue of transferring magistrates to various areas came up, why were these ones not transferred, as was the case in various parts of the country?

Mr. Wako: Mr. Speaker, Sir, transfers were not made throughout the country. The Judicial Service Commission (JSC) and the Chief Justice (CJ), from time to time, make decisions on the transfers of magistrates. In this particular case, as I have said in my answer, they have been asked to give an explanation on that issue by 5th November, and obviously, depending on their explanation, some action might be taken.

Mr. Kariuki: Mr. Speaker, Sir, could the Attorney General clarify to this House what policy there is on transfer of magistrates and judges? This is because as the hon. Member has said, some have stayed in a place for too long and have become very corrupt.

Mr. Wako: Mr. Speaker, Sir, the JSC and the CJ, in their collective wisdom, do make determination on the issue of transfer of magistrates. At times, they also make determination on transfer of judges. There are many factors that are put into consideration when it comes to the transfer of magistrates and judges, one of them being what the hon. Member has stated; that it is not good for a magistrate to stay in one place for too long. As I said earlier on, the JSC is looking into all these matters.

Mr. Raila: Mr. Speaker, Sir, cases of criminals getting away with it are on the increase as a result of the office of the Attorney-General being unable to proceed with prosecution. Yesterday, all the people who were arrested and charged with stealing sugar which was destined for the Democratic Republic of Congo (DRC), and evading paying taxes to the Customs Department, were released by a Mombasa Court because of the Attorney-General's inability to proceed with prosecution, and yet the sugar had already been sold. One of the people involved in the racket is an hon. Member of this House! What steps will the Attorney-General take to ensure that his office is not used to fight justice?

Mr. Wako: Mr. Speaker, Sir, the Attorney-General's office does prosecute cases diligently. This question does not in anyway refer to the delays of the hearing of appeals because of the Attorney-General's action. In fact, the Judge correctly stated:

"It was because the records of the Trial Court were not forwarded to the Appellant Court in time."

If I may say it, this also applies to the hearing of murder cases. The delay is not in the Attorney-General's office, but in the preparation of committal documents by the police because of lack of facilities.

Coming to the hon. Member's direct question about the customs case, as it came out very clearly, the Attorney-General is very much concerned about that case. The withdrawal of the case does not mean that we cannot re-charge those persons who have been charged before the court. That was made very clear to them by the court which made the acquittal. I would like to inform this House that I have already instituted investigations on how consent was entered, which resulted in the exhibits of sugar being released. I would also like to inform this august House that the

officer concerned is no longer with the Attorney-General's office. But investigations will continue and action will follow.

Mr. Obwocha: Mr. Speaker, Sir, is the Attorney-General aware that all cases from Nyamira District are referred to Kisii District where they are not heard, because the magistrate who was in Nyamira District was transferred, and he has not been replaced? In fact, this morning, warrants of arrest were issued for some councillors who had been told to go to Nyamira Police Station while the cases were being heard in Kisii. These people had not gone to Kisii because there is no magistrate in Nyamira, an action that was instigated by some of the Ministers of this Government. Is the Attorney-General aware that, currently, there is no magistrate in Nyamira?

An hon. Member: Shame!

Mr. Wako: Mr. Speaker, Sir, I am not aware, but I am now aware and we shall look into that problem.

(Laughter)

Mr. Mwenje: On a point of order, Mr. Speaker, Sir. Is the Attorney-General in order to tell us that he is not aware that there is no magistrate in Nyamira, when he is very much aware that the transfers that were made by the former CJ have been disobeyed by some magistrates?

Mr. Wako: Mr. Speaker, Sir, I think that is a very different question. But if he can give me the facts and particulars of that allegation, we can look into it.

The Minister for Agriculture (Mr. Obure): On a point of Order, Mr. Speaker, Sir. Hon. Obwocha, in his remarks, has suggested that certain councillors were arrested and charged in a court in both Nyamira and Kisii, and that these cases were instigated by certain Ministers without naming them. Could he---

Mr. Speaker: May I say that since I became the Speaker of this House, I have never had a district with parochial politics coming into this House than Kisii. I would like to advise all Kisii hon. Members of Parliament to keep their parochial politics out of this House!

Question by Mrs. Ngilu for the second time.

(Applause)

Mrs. Ngilu: Thank you, Mr. Speaker, Sir. First of all, I would like to apologise for coming late and not asking this Question in good time. I would also like the Chair to know that I do not have a written answer to this Question. But before I ask this Question, I would like to bring a message to the Chair of a letter which was written to you last year.

(Loud consultations)

Mr. Speaker: Order! Order, hon. Members! Mrs. Ngilu, we are now on Question Time. Until this House creates an Order for the day that reads: "Messages to the Chair", there will no be messages to the Chair. So, can you ask your Question?

Mrs. Ngilu: Mr. Speaker, Sir, once again, I would like to say that women were asking what happened to the letter that they wrote to you about the wordings on the wall that: "This is the just Government of Men". They want to see the words "and of women."

An hon. Member: Women are part of men!

Mr. Speaker: Can you ask your Question now?

(Loud consultations)

Order! Order all of you! I do not understand why all of you should murmur when the word "women" is mentioned, and yet, none of you can do without women!

(Laughter)

Question No.450

COLLECTION OF FUNDS BY
KITUI DISTRICT COMMISSIONER

Mrs. Ngilu asked the Minister of State, Office of the President:-

(a) whether he is aware that the District Commissioner, Kitui, has been authorising chiefs and assistant chiefs from various locations in the District to collect funds for such programmes as the Bomb Blast, Presidential and Provincial Commissioners' visits in Mutomo and more recently in Mutito, Madaraka Day Celebrations, Eastern and Southern Kenya Agricultural Show;

(b) how much money the DC collected for the aforementioned programmes between 1998 and 1999; and,

(c) under what authority/law the DC continued to enforce these collections.

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

(a) I am not aware that any chiefs or their assistants have been authorised by anybody to collect money from members of the public, because we do not have any such authority in law.

(b) However, the DC presented a donation of Kshs370,000 for the Bomb Blast victims. The money was donated by friends and well-wishers from Kitui Town and Kitui leaders living in Nairobi. In view of my answer to parts (a) and (b) of the Question, part (c) does not arise.

Mrs. Ngilu: Mr. Speaker, Sir, first of all, I feel disadvantaged that I have got to ask this Question when the DC in Kitui is a lady. The first appointment that the Kitui DC undertook was to collect money for the Bomb Blast victims in August, last year. In fact, she started collecting the money in September and the amount collected was well over Kshs1 million and she only presented Kshs273,000 and not Kshs370,000 as the Assistant Minister has reported to the House.

Hon. Members: Shame!

Mrs. Ngilu: Mr. Speaker, Sir, for any other function that has come up in the district, chiefs and their assistants have been instructed to collect money from the traders and people at the grassroots level. In fact, the worst comes when the chiefs and their assistant chiefs refuse to give people food before they contribute money that goes to the DC.

Mr. Speaker: Order! You are now debating!

Mrs. Ngilu: Mr. Speaker, Sir, could the Assistant Minister tell this House what the people are supposed to do when such things happen to them?

Mr. Samoei: Mr. Speaker, Sir, while I sympathise with hon. Ngilu for asking this Question when the Kitui DC is a lady, I would like to state that the DC did present a donation of Kshs370,000 to the Bomb Blast Fund, out of which Kshs107,000 was obtained from friends and well-wishers in Kitui Town. The rest of the money - Kshs263,000 - was actually raised by well-wishers and leaders from Kitui Town living in Nairobi. The former KANU Chairman of Kitui, Mr. George Ndotto, actually co-ordinated the collection of money in Nairobi. There was no single chief, or assistant chief who were involved in this exercise, because the DC and the entire Provincial Administration knew very clearly that there is no provision in law that allows the collection of money from members of the public by public servants.

Mr. Munyao: Mr. Speaker, Sir, mine is almost a point of order. I am wondering whether we are likely to get the right answer from the Assistant Minister. Although this is the second time this Question has been asked in this House, and addressed to the Assistant Minister because it affects the Kitui DC. The reply that the Assistant Minister has read out to the House was drafted by the same DC. Are we likely to get anywhere with this Question which is already implicating the DC who drafted the same reply?

Mr. Samoei: Mr. Speaker, Sir, while I totally disagree with the hon. Member that this reply was drafted by the same DC I would be very much interested if the hon. Member gives me facts so that we can take action.

Mr. Gatabaki: On a point of order, Mr. Speaker, Sir. Is it in order for the Ministers to delegate their duties to their Assistant Ministers and for the House to get these kind of answers? The Assistant Ministers are unaware of what they are being asked. Have you noticed that it is only Assistant Ministers who have been answering Questions in this House? Is this the policy of the Government?

Mr. Speaker: Mr. Gatabaki, have you ever read the definition of "Ministers" in the Standing Orders?

Mrs. Ngilu: Mr. Speaker, Sir, first of all, could the Assistant Minister table the list of the well-wishers? This is because I also have a list of the people who donated money. The Assistant Minister says that Kshs263,000 was first taken to State House and a further Kshs170,000 was later taken there. That makes the total Kshs433,000 and not Kshs370,000. We are aware that over Kshs1 million was collected. What figure does he have and could he table the names of the well-wishers?

Mr. Samoei: Mr. Speaker, Sir, I did say that the amount collected was Kshs107,000. There is a difference between Kshs107,000 and Kshs170,000. I also want to ask hon. Ngilu, since we are very much interested in sorting out this matter, to table the list of the well-wishers who were forced to donate money by officers in the Provincial

Administration and I promise that I will take action.

Mr. Speaker: Very well, Questions by Private Notice!

QUESTIONS BY PRIVATE NOTICE

EXEMPTION OF KTDA/CBK FROM STATE CORPORATIONS ACT

Mr. Ndwiga: Mr. Speaker, Sir, I beg to ask the Minister for Agriculture, the following Question by Private Notice.

(a) Is the Minister aware that the recent revocation of the exemption from the State Corporations Act of both Kenya Tea Development Authority and Coffee Board of Kenya has caused a big crisis in the two sectors; and,

(b) What urgent measures is the Minister taking to facilitate the second tea payment, now that the KTDA Board is not sitting.

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

I do not believe that the recent revocation of the exemption from the State Corporations Act of both the KTDA and CBK has caused any crisis in the two sectors.

However, I wish to state the following. Following the exemption from the provisions of the State Corporations Act of both the CBK and KTDA, it became evident that entrenched interests in the CBK and KTDA were taking farmers for a ride. In the recent past, events in the two industries have clearly shown that the small-scale farmers have not only lost their voices, but have also lost much needed income. The mess in the tendering systems has been evident, as well as delayed payments and outright manipulations causing a crisis in the two sub-sectors.

Contrary to the claims that the revocation of the exemption from the State Corporations Act has caused a crisis in the two sub-sectors, this action is intended to allow for a well-managed restructuring process of the two important sub-sectors of our economy and hence ultimately benefit our tea and coffee farmers and, indeed, the entire economy.

Regarding part (b) of the Question, the day-to-day activities of the two organisations are going on normally under the direction of their respective Boards of Directors. The responsibility of determining levels of payments for green leaf deliveries by growers is rested in the directors of each factory company. The directors and the KTDA management are currently meeting to consider the accounts and performance of each tea factory company for the year ended 30th June, 1999. Thereafter, KTDA Board will meet on the 28th of October to effect payments as approved by each tea factory company in the first week of November, 1999, as it is the tradition of that organisation.

Mr. Ndwiga: Mr. Speaker, Sir, while acknowledging that the Minister has attempted to answer this Question, I beg to differ with him that there is no crisis in the industry right now. In this House, at one time, we were opposed to the exemption of these two parastatals from the State Corporations Act, but we are now happy that the Government is acting according to our wish. But as the Government acts, there is the Tea (Amendment) Bill which is before this House and which will form the basis for the liberalisation process of the industry. Could the Minister confirm or deny that the Government is now trying to interfere with the liberalisation of the tea sub-sector and that the farmers who are waiting to elect new Board members for their factories in December have been interfered with by him?

Mr. Obure: Mr. Speaker, Sir, I want to make it very clear to this House and to all tea farmers everywhere around the country that the Government has no intention at all of delaying or hijacking the process of liberalisation. The exemption that was granted to the Kenya Tea Development Authority (KTDA) and the Coffee Board of Kenya was given in very good faith. It was, in fact, the first step towards liberalisation. The intention of exempting those two organisations was to enable them to operate as efficient business concerns. This will enable them to remunerate their directors and members of staff well to motivate them to perform even better. As it stands now, the Government is not satisfied that this has been done properly. In fact, we believe that they have taken advantage of that to do certain things which are delaying the process of liberalisation.

(Loud consultations)

Mr. Speaker: Order! Order! Hon. Members, it is time to move on to the next Order, but I need co-operation here. The Chair is mindful of what is going on in the coffee and tea industry at this moment. It will be in the interest of this House that I defer this Question, along with Mr. Anyona's Question. I will defer them immediately. So, the Question has been deferred.

(Question deferred)

ALLOCATION OF PLAYGROUND TO
SADIKIKA HOLDINGS

(Mr. Anyona) to ask the Minister for Local Government:-

In view of the recent Government suspension of all allocations of public land in the country:-

- (a) Is the Minister aware that a private developer (Sadikika Holdings Ltd., P.O. Box 54041, Nairobi) has been allocated public utility plot (playing-ground) and an access public road measuring about two acres (0.3663 hectares) situated on Sadi Road (L.R.No.209/97930) in Nairobi South "B" area?
- (b) Is he further aware that a senior police officer has also been allocated an access public road (L.R.No.209/12564) situated on Zanzibar Road in the same Nairobi South "B" area?
- (c) Under what circumstances were these allocations made and by what authority?

(Question deferred)

COMMITTEE OF SUPPLY

*(Order for Committee read being
the 15th Allotted Day)*

MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

Vote 30 - Ministry of Energy

(The Minister for Energy on 14.10.99)

*(Resumption of Debate
interrupted on 14.10.99)*

Mr. Speaker: Who was on the Floor? Mr. Maoka Maore? Him not being there, he is assumed to have forfeited his time.

Mr. Raila: Thank you, Mr. Speaker, Sir, for giving me a chance to contribute to this Motion on the Vote of the Ministry of Energy, which is a very important subject.

I note with regret that the Minister in charge is not present. However, I listened very carefully to the Minister when he was contributing on that day and several points arose. First, whereas we welcome the Government reforms in separating the generation functions from the transmission and distribution functions, and also in setting up the Electricity Regulatory Board to set and review electricity tariffs, I would like to inform the Minister that this Board has not been doing its work. Electricity tariffs are too high and the common man cannot afford them.

(Loud consultations)

Mr. Speaker: Order! Order, hon. Members! Proceed.

Mr. Raila: Mr. Speaker, Sir, I want to inform the Minister that the Electricity Regulatory Board is not doing its work. At the moment, the electricity tariffs are too high. In developed countries, electricity tariff is usually related to the income of the people. This is something that ought to be discussed with all the stakeholders. This Board needs to be discussing with the Kenya Consumers Organisation before these tariffs are fixed. At the moment, they are above the reach of the majority of Kenyans.

The Minister has told us that a feasibility study has been carried out to extend the oil pipeline from Eldoret to Kampala. This is a welcome move because it will reduce the pressure on our roads. However, I want to remind the Minister that it is not only the pipeline that can be used. We have a pipeline terminal at Kisumu and the Government should look at the possibility of transshipping the oil through the Lake to the other side. I have in mind here taking oil to Bukoba and Bukakata towns on the other side. That will also help to ease the pressure on our roads.

Mr. Speaker, Sir, the third point is the issue of the rural electrification, which is a very important subject. Electricity is a necessity in our society. We welcome the creation of Rural Electrification Programme Fund, which was

established last year. We note from the Minister that a Committee has been set up consisting of representatives from his Ministry, the Treasury, the Office of the President and the Kenya Power Generating Company. This is too important a subject to be left entirely in the hands of the bureaucrats. We are talking about the distribution of electricity. I, therefore, want to suggest that hon. Members of Parliament should be made part of that Committee. We have Provincial Parliamentary Groups (PPGs) in this House. Each PPG should be allowed to nominate two Members to represent its region in this Committee to ensure that there is suitable allocation of these resources regionally.

Mr. Speaker, Sir, the Minister told us that the Government has been exploring the hydro-carbons in this country since 1964. That is a statement of fact, but it is now history. He has told us that during those years, they have drilled 30 execratory wells. He has also told us that 100 more wells need to be drilled before hydro-carbons are discovered. Why does the Minister come to the House to tell us that? That is obvious. Does he want the hon. Members of Parliament to be involved in exploring for oil in this country? We want the Minister to tell us as to what indigenous capacity they have established during all these years? If they have been exploring from 1964 to 1999, there is no need to continue relying on foreigners to come and look for oil in this country. Why is it impossible for this Government to establish a local capacity to search for oil?

The Minister has also told us that we have an installed capacity of 820 megawatts of power generation. I want to tell him that, that is less than the electricity consumed in the City of Duesche Doff in Germany in one month.

Mr. Speaker, Sir, I also want to tell him how far away we are from the target of making this country industrialised by 2020. Our total annual consumption of electricity is less than the consumption of electricity in one city in Germany. Even with the addition of 573 kilowatts, this will still be peanuts. This Government has to change its policy of overdependence on sources that have been completely depleted; the Tana and Athi River sources. The Government should now start looking westwards because the hydro-electric capacity in those rivers has not been exploited. Kenya supplies most of the water into Lake Victoria. Uganda only takes it out through the River Nile. Tanzania has only got River Kagera which drains into Lake Victoria, yet Kenyans do not benefit from this great resource. At the moment we are importing 30 megawatts from Uganda. Why can we not import more? Why do we subject our people to power rationing right now due to lack of rainfall when Uganda has got excess capacity? Why can we not import more from Uganda? If we have no money to pay, we can barter.

Uganda is using our roads importing all its products through the port of Mombasa. Why can we not barter so that we get more electric energy from Uganda? Wood fuel should not be looked at as an alternative. We must desist from trying to depend too much on wood fuel. Through dependence on wood fuel, we are degrading our environment. This Government must lay more emphasis on the other alternative sources of energy like biogas, solar, wind and even Liquefied Petroleum Gas (LPG). Time in, time out, we have been telling this Government to try to lower duty on LPG to make it more affordable to the people. That way, we will ease the pressure on our forests. At the moment the Minister is asking us to give him K£15 million for establishing an LPG facility in Kipevu, Mombasa.

The question is: Who is developing this facility in conjunction with the Kenya Pipeline Corporation (KPC)? Is KPC the right agency for this kind of thing since it was established to transport oil from Mombasa? We need to get more information about this development.

On the Sondu-Miriu Project, we would like the Government to include irrigation in this phase of development. We know that there is irrigation in the second phase which only affects Kericho and Nyamira Districts. While we appreciate that, we want the Minister to also note that the people in Rachuonyo and Kisumu Districts in the lower parts of the river also need irrigation. I know for a fact that this Government is willing and ready to include irrigation in this phase.

With those few remarks, I beg to support.

Mr. Musila: Asante sana Bw. Spika, kwa kunipa nafasi hii ili nizungumzie. Hoja hii kuhusu Makadirio ya matumizi ya Wizara ya Kawi.

Kama vile inavyojulikana, Wizara ya Kawi ni mojawapo ya Wizara muhimu sana katika Jamhuri hii yetu ya Kenya kwa sababu inatuwezesha kuendesha uchumi wa nchi hii. Kwa hivyo, ni jambo la muhimu sana kuona kwamba kuna usimamizi bora katika Wizara ya Kawi. Kama kuna usimamizi bora, maisha ya wananchi yatakuwa bora kwa sababu hali ya uchumi itakuwa nzuri. Ningependa kugusia mambo matatu. Kwanza, ningependa kugusia jambo la bei ya bidhaa zinazohusikana na petroli. Jambo hili limetajwa hapa na hata leo wenzangu wameuliza maswali kuhusu bei ya petroli.

Kwa hivi sasa, kampuni za kimataifa zinaendelea kuongeza bei za bidhaa za petroli bila kuyajali masilahi ya wananchi. Mara kwa mara, hizi kampuni zimekuwa zikiongeza bei kila zisikiapo fununu kidogo. Katika hali ya ulimwengu, bei ya mafuta ikienda juu wanapandisha bei mara moja. Lakini bei za bidhaa hizi zikipunguka ulimwenguni, hawapunguzi bei. Hii ni kuonyesha kwamba Wizara ya Kawi imeshindwa na kusimamia soko hili la mafuta na kuhakikisha kwamba bei zile ambazo zinatozwa wananchi zinalingana na bei za ulimwengu.

Ukizunguka katika mji huu wa Nairobi na kila mahali utaona watu wengi wanaendelea kujenga vituo vya

kuuzia petroli. Wanajenga vituo vya kuuzia petroli kwa sababu ya faida inayopatikana katika biashara hii.

The Assistant Minister for Energy (Mr. Manga): Kwa jambo la nidhamu, Bw. Spika. Mhe. Musila anasema kwamba Wizara ya Kawi imeshindwa kusimamia bei ya mafuta bali tunajua vizuri kwamba biashara ya mafuta iliwekwa huru na kwamba soko ndilo linaamua bei.

Mr. Speaker: Order! Let us not use points of order to stop Members from expressing their own opinions. That is his opinion. He may be grossly misinformed, but nevertheless, it is his opinion which he is entitled to.

Mr. Musila: Ninashukuru sana Bw. Spika. Ni kweli ninafahamu kwamba soko la mafuta liko huru, lakini hiyo si kusema kwamba liwe huru na Wizara ikae kitako huku wananchi wakiendelea kudhulumiwa na kampuni za kimataifa. Kwa nini kampuni hizi zikifiria kwamba bei zitaenda juu zinaongeza bei na huku bei zikiteremka chini hawapunguzi bei? Hilo ni swali ambalo lazima Wizara hii itilie maanani sana. Ningependa ingawaje soko la mafuta liko huru na ni lazima Wizara ya Kawi itafute njia ya kuona kwamba wananchi, wenye viwanda au wenye kutumia bidhaa za petroli wanalindwa kwa sababu mwishowe ni maisha ya wananchi yanayoendelea kudhulumiwa. Kwa mfano, ikiwa bei ya diesel na mafuta mengine inaendelea kupandishwa, mkulima anapata hasara. Mwananchi wa kawaida anayesafiri na matatu pia anapata hasara.

Tuna kampuni, Wizara, na vyama vilivyoundwa na Serikali kurekebisha na kuangalia kuwa bei za bidhaa zinalindwa kama vile simu na kadhalika. Ningependa kuuliza Waziri azingatie zaidi ili neno la kusema soko liko huru lisiwe leseni ya kuachilia wananchi waendeleo kunyanyaswa na kampuni za kimataifa.

Bw. Spika, kwa muda mrefu kampuni ya KPLC imekuwa kielelezo kwa kampuni zote za Serikali kwa vile wamekuwa wakifanya kazi, kwa mfano, kurekebisha mitambo yao, kusoma mita zao na kuhakikisha huduma imepeanwa kwa wateja wao. Lakini, ni jambo la kusikitisha kwamba, kumekuwa na mwenendo ambao hauridhishi katika kampuni hii. Kwa sababu, mpaka sasa; miaka 36 baada ya Uhuru, kuna miji mingi katika Jiji la Nairobi ambapo watu wanatumia misumaa katika nyumba zao. Kwa sababu, mara kwa mara, stima imekuwa ikikatizwa. Na hata ukiwapigia ile simu ya dharura, huwa hakuna majibu. Kwa hivyo, inafaa Wizara ya Kawi ihakikishe kwamba kampuni ya stima inafanya kazi vile inavyopaswa na kuhakikisha kwamba wanapeana huduma bora kwa wananchi. Wakati huu kuna power rationing ambayo imesababisha wananchi wengi sana kukosa kazi kwa sababu wanategemea umeme. Wengine wanakosa kazi kwa sababu kampuni ya stima haitoi umeme wa kuwezesha kampuni nyingi kuendelea na shughuli za kawaida katika viwanda vyao. Kwa hivyo, inafaa warekebishe jambo hili. Haifai KPLC kunung'unika kwamba hali hii inasababishwa kwa sababu hatujapata mikopo kutoka ng'ambo. Ile faida ambayo kampuni hii inapata inapaswa kuingizwa kwenye rasilimali za kampuni ili wananchi wasikatiwe stima wakati wanapohitaji. Tukiendelea hivi, ninasikitika kwamba itakuwa ndoto kwa Kenya kuwa industrialised mwaka wa 2020.

Kwa hivyo, ningependa kuiomba kampuni ya KPLC iimarisha kazi yao. Kama vile utekelezaji wa vyombo vyao na kuweka rasilimali zaidi ili tusipate mkasa kama huu ambao umetukumba kwa wakati huu.

Bw. Spika, pia ningependa kuzungumza juu ya mpango wa rural electrification au usambazaji wa stima katika sehemu za mashambani. Ningependa kuipongeza Serikali kwa kazi ambayo imefanya kwa upande huu. Pia kampuni ya KPLC imekuwa ikitekeleza mipango hii vyema kwa niaba ya Serikali kama kuhakikisha kwamba, kuna stima katika sehemu za mashambani. Lakini, hata hivyo, kuna mambo ambayo hayajatekelezwa, kwa sababu haijasambaa stima katika sehemu nyingi za mashambani. Serikali inatilia maanani sana maswala ya viwanda. Kama stima ingesambazwa katika sehemu za mashambani kuliko vile ilivyo, viwanda vidogo, vidogo vitatengenezwa kule mashambani na kupunguza kuhama kwa watu kutoka sehemu za mashambani kwenda mijini.

Ikiwa tutakuwa na stima katika sehemu za mashambani, secta ya Jua Kali itatapakaa sehemu hizo, na watu wengi watapata kazi. Bila shaka, shida ambazo tunazo zinaweza kupunguka. Kwa ufupi, shida zetu za ukosefu wa kazi zinaweza kupunguzwa kwa kiasi fulani ikiwa kampuni ya KPLC itatoa huduma bora vile inavyotakikana.

Bw. Spika, pia ningependa kuomba Serikali ifikirie kuleta stima katika constituency ya Mwingi South ambako ninatoka, hasa katika sehemu za Vitani, Nzeruni na Kiome. Jambo hili likitendeka, wananchi wataanzisha viwanda vya Jua Kali kule, na wananchi watapata kazi.

Kwa hayo machache, ninaunga mkono.

Mr. Maundu: Thank you, Mr. Speaker, Sir. I would like to take this opportunity to first of all congratulate the Ministry of Energy, and more particularly the Kenya Power and Lighting Company for having set the stage for development in service to the country.

(Mr. Speaker left the Chair)

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

In that respect, I would like to echo the points that have been raised by the previous speakers. In the supply of energy

to the country, KPLC is still a monopoly. We know they are in the process of privatizing, but the tariffs for increasing consumer prices for the supply of electricity in this country seem not be in safe hands. Even though there is a Board established for the purpose of approving these tariffs, I would like to say that electricity prices have continued to increase to the disadvantage of the low-income earners.

Mr. Temporary Deputy Speaker, Sir, we must insist as Parliament the methodology of arriving at the tariffs by this Board must be subjected to scrutiny by the House Committee that deals with Energy. Kenyans have been exploited for too long, when these tariffs are decided by a Board that does not consult stakeholders and ordinary Kenyans. Now that we have established a reliable Committee system, it is important for Parliament to insist that all the boards that are dealing with power supply and those that are empowered to make proposals on the consumer prices of electricity must pass through Parliament. If that is not done, Kenyans will continue to be exploited. Most Kenyans who would like to use electricity are using candles and kerosene. They cannot use electricity for purposes of cooking. They can only use it for lighting. Even those who have electricity in their houses can only light their kitchens and toilets. This situation must be regulated so that Kenyans are not exploited.

Mr. Temporary Deputy Speaker, Sir, in terms of privatization, I would also like to thank KPLC for the manner in which they are handling it. But we are getting concerned with the terms and conditions under which they are entering into some of the contracts for supply. For instance, Westmont Company in Mombasa appears a mysterious company because no Kenyan seems to know the terms of the contract. Recently, until April this year KPLC paid to the company about Kshs100 million, but when they stopped to supply power, we were not told what should happen in that situation; whether they are supposed to repay the money to KPLC or if they would be left scot free to the detriment of this country. We must accept some of these realities. We should not cheat ourselves because matters concerning the supply of electricity is for the benefit of this country. We must also induce an element of transparency and accountability in our public affairs. I would like to encourage KPLC to make sure that this aspect of privatization which is very fundamental should be handled in the best way possible. I would also like to insist that matters of commercialization and privatization should be brought to House Committees which should have a say in them for the purpose of securing the interests of Kenyans.

Mr. Temporary Deputy Speaker, Sir, I would also like to say that power supply for this country also comes from certain parts of Eastern Province. But the areas where this power comes from are the most disadvantaged in terms of power supply. We are aware that when the seven dams were being constructed, there were conditionalities put in place by the donors who funded these particular projects. One of the conditionalities is that, 2 per cent of the power consumption produced from that area, or the money that is collected must go to the development of those particular areas. Since these dams were developed many years back, not even a single penny has been spent for the purposes of those people who were disadvantaged and displaced by the development of these dams. It is a pity that the KPLC does not consider some of these particular conditionalities binding so that they may also help the people in those particular areas.

Mr. Temporary Deputy Speaker, Sir, recently the Kenya Electricity Generating Company (Kengen) usurped, or in a manner that passed through this Parliament, took over the running and control and ownership of those dams. The net effect was to render Tana and Athi Rivers Development (TARDA) Authority, who were actually the owners of those dams, redundant in those areas. So, when we talk of TARDA becoming a strategic agent of developmental change in our region, particularly in Ukambani, this will not be possible without these particular dams. TARDA should be winding up now, because they do not even have the capacity to generate their own money. Indeed, as we know with most parastatals, they are incompetent to raise funds directly for the purposes of developing projects that will initiate irrigation schemes for those particular areas. When we speak about these areas, most of us are seen as nonconformist, but we are not. You must be sensible and realistic. If your mother is naked, more often than not, you do not alert her to that fact, but you caution her that your father is calling her so that she may put her house in order. It is absolutely necessary for the Government to give a new focus to regions like Ukambani. If I am the herdsman and you are the owner of the cow and you continue milking the cow dry so that as the herdsman, I do not get milk; I may struggle to ensure that the cow becomes mine some day. These are some of the areas that we must look at very critically.

The most critical area that the TARDA should concentrate on is the development of infrastructure for purposes of irrigating Ukambani. People in Ukambani are absolutely tired of relying on relief food and they are saying that it is unnecessary to them. Indeed, they are saying they do not need it. This year alone, my own constituency is going to consume relief food worth Kshs70 million. Why do we not translate this money into generating viable irrigation schemes for the purposes of making sure that the people are empowered economically and their lives are socially encouraged. I think the Ministry of Energy should look at these issues a little more critically.

When we talk about water supply in Ukambani, it is related to the supply of electricity. We also have sources like the Nol-Turesh Water Supply from Kilimanjaro which supplies Machakos Town. We must not continue to cheat

ourselves that Nol-Turesh Water Supply serves Machakos Town. It was intended to transform Machakos Town into an industrial town within 10 years which is now long gone. But there is not even a drop of water to drink in Machakos Town. How do you continue to say that, that particular water project serves Ukambani? In fact, the pipe does not even supply more than two kilometres inland to the people and you will see people with their donkeys and children every morning going to draw water at a particular kiosk more than five kilometres away. These things are not there. Again, we would like to ask the Ministry of Energy when they are considering the supply of fuel through piping, to consider through the other wing, irrigation through piping. If the fuel pipe from Mombasa to Eldoret was used for the purposes of supplying water to areas like Turkana, where the hon. Francis Lotodo comes from, and that would be something to be proud of. But I know people in Pokot do not drink that fuel!

(Laughter)

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

The Minister for Renewable Energy Development (Mr. F. Lotodo): On a point of order, Mr. Temporary Deputy Speaker, Sir. I am a Member of Parliament for Kapenguria, West Pokot District, and not Turkana. He should know that!

(Laughter)

Mr. Maundu: I accept your correction, but I wish you were drinking piped water from wherever that place is.

Mr. Temporary Deputy Speaker, Sir, I would like to conclude by saying that, the Ministry of Energy has accepted to supply Makeni District Headquarters with electricity, but the project has not been completed. Unfortunately, this particular project only serves the DC's residence and 10 shops. The environs of the DC's residence have no water and those who were in charge of this project have withdrawn. I think it is a pity. In fact, the project was again intended to go to water supply project about five kilometres away so that Makeni District may have sufficient water supply for growing passion fruits. That water supply has not been touched. We are asking the Minister to consider that.

With those few remarks, I beg to support.

Mr. Khamasi: Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this very important Vote of the Ministry of Energy. I think we need to give this Ministry the importance it deserves. We have got a landmark, and the Government has put in place a policy that suggests that by the year 2020 we shall be industrialised. I think the Ministry of Energy will play a very important role in making us achieve that goal.

My colleagues have contributed quite substantially on areas that I would have liked to touch on, but I would like to emphasize on a few of them. The first one is about power generation. Maybe, at the time when the decision to establish power generation dams in specific areas was made, we had people who only thought about a particular area. Indeed, Mr. Maundu has said that most of them are in North Eastern or Eastern Kenya. As we are talking now, the situation has changed, the climate has changed and those areas have been worst hit by drought. We do not have much water to generate electricity and that is why we are experiencing rationing of power. As a result of that, we are losing a lot in terms of productivity. We understand that some industrialists are now moving out of this country because they cannot be supplied with enough electricity to make them operational.

Mr. Temporary Deputy Speaker, Sir, Western Province now receives most rains in this country. As we are talking now, Western Province is being pounded with rain three times a day. We have River Nzoia, River Yala and River Isiukhu and all these rivers are full of water. All that water is being wasted into Lake Victoria. This water has caused havoc to some residents downstream like in Bunyala and Budalangi where there are floods. I would like to know what policy the Government has put in place to harness this water so that it can be put to profitable use. We have got certain natural falls like what used to be called Broderick Falls, now Webuye Falls and Kuywa Falls on River Nzoia. This could very easily be translated into power generating areas. **[Mr. Khamasi]**

We would like to know what policy the Government has got in place. Is the Government thinking about getting some of these dams from these conventional areas to these areas?

Mr. Munyasia: On a point of information, Mr. Temporary Deputy Speaker, Sir. I would like to inform hon. Khamasi, that, though there have been climatic changes recently in Western Kenya, the prevailing climate now, is the normal one for the area. However, power generating dams have not been constructed in Western Kenya and that is a deliberate policy of discriminating against our people.

An. hon. Member: By who?

Mr. Khamasi: By the two successful Governments in this country! I think it is high time this Ministry looked into this very seriously, so that we have generated plants all over the country, particularly, in Western Province.

Mr. Temporary Deputy Speaker, Sir, I want to comment briefly on the price of fuel in this country. When you were contributing, you talked about prices of fuel in the country. I fully support your stand. All that we hear from the Ministry of Energy about the question of prices of fuel are only cries, just like a bull-dog that barks without biting. They always say those oil companies are playing foul with the consumers, since there is no policy which this Ministry has put in place, to regulate prices of fuel in this country. This is because oil companies have actually formed a cartel, to deliberately frustrate the ordinary wananchi who wishes to venture into this sector. For example, recently, we had ordinary wananchi who had set up small oil pumps in their backyards. All of a sudden, there was an outcry about those pumps. In fact, it was the Ministry of Energy which was in the forefront in destroying what had been set up by the ordinary wananchi. We are all aware of the court cases where, even one of the most senior civil servants, who is working for a local authority, went ahead against the court order and demolished a oil facility and she is still walking about freely. One wonders as to what type of Government do we have in this country. It is a pity that we have a Judiciary which is supposed to be independent. Instead of this Ministry formulating policies on how to support our indigenous people to get into this sector, all they have done is to frustrate them. They have made sure that there is a cartel in this sector which dictates fuel prices from left, right and centre whenever they feel like. There is need for people in this Ministry - it is good that the two Ministers are sitting here - to think very seriously about fuel prices, and come up with a policy that will contain the cartel that is frustrating wananchi.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about wood fuel which the Minister talked about when he was presenting his speech. True, the majority of our rural people depend on wood fuel for energy. However, the Ministry of Environment and Natural Resources has been the only one concerned about wood fuel. There is no co-operation between the Ministry of Energy and that of Environment and Natural Resources, particularly the forest department. The forest department has no resources. It is no longer doing any afforestation. In fact, the natural forests are being cleared for the purpose of getting wood fuel. Has any policy been put in place between the Ministry of Energy and the Ministry of Environment and Natural Resources, particularly the Forest Department, to develop a scheme whereby the ordinary wananchi would start tree plantations for wood fuel? I come from Kakamega, where there is a beautiful natural tropical rain forest. As we are talking now, that forest has been cleared by people who go there for wood fuel. Hon. Lotodo who was the former Minister for Natural Resources knows very well that, there is very little being done by this Government to protect that forest. So, long as there is no proper policy in place, that forest will be cleared by people looking for wood fuel. They will fell trees from that forest, notwithstanding the resistance put up by the Ministry's officials. We need to have a policy in place and some sort of co-ordination between the Ministry of Energy and Ministry of Environment and Natural Resources, to come up with schemes to cater for afforestation in this country. Unless, we do that, sooner than later, all our forests, including the tropical rain forest in Kakamega, which is the only one of its kind in this country, will be cleared.

Mr. Temporary Deputy Speaker, Sir, I want to conclude by saying that, this country can only be industrialised by the year 2020, if we have electricity virtually everywhere. It is important that the Ministry of Energy moves a step further, to make sure that all rural areas get electricity.

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

Mr. Poghiso: Mr. Temporary Deputy Speaker, Sir, I would like to join my colleagues in wishing the Ministry of Energy well. The Ministry of Energy is a very important one, even for those of us, who do not benefit directly. I come from Kacheliba Constituency in West Pokot. We have been contributing a lot to the national grid, through the Turkwel Hydro-electric Project which is situated in Kacheliba. However, the management of that project displaced a number of people from their homes and lost many valuable things. Our people mined gold around that area for many years and they also had gardens, homes, schools, beehives, religious shrines and sites in that ancestral land that is now covered with water from that project. At the time of constructing that project, the Ministry of Energy promised our people that they would get electricity in their homes and the surrounding areas. They also promised us that, there would be irrigation schemes using water flowing from that project. At that time, probably, a lot of money was set aside to compensate those people whose homes and resources were taken away to create room for that project.

Mr. Temporary Deputy Speaker, Sir, it is a great shame, and the people who were so hopeful that the completion of Turkwel Hydro-electric Project would completely turn their lives round, were disappointed. They are so disappointed that, they contemplate channelling away all the water from that project, so that they can go back and live in that area. People do regret a lot and they feel cheated. This is because Turkwel Hydro-electric Project is a very big project and the local people who gave out land for that project do not enjoy any benefit from it.

Mr. Temporary Deputy Speaker, Sir, I would like to ask the Minister to seriously consider people who live around that project. I have heard and read that, KENGEN has built schools in other areas of this country, and also established community based projects. But KENGEN has not set up any community based project around Turkwel Hydro-electric Project. I would like to appeal to KENGEN to consider employing Pokots, even as casual labourers. That kind of work should be done by people around that project. It is sad that the management of Turkwel Hydro-

electric Project still employs people from other parts of the country, to do jobs that can be done by Pokots. They still import people from other parts of the country to take up the opportunities that are available to the Pokots. When interviews are conducted for turbine attendants, you find that people are brought from very far. Those turbine attendants should be recruited from among the Pokot people who live around that area. The chances that are there should be preserved for the Pokots because they should also benefit from this project. I am asking KENGEN and KPLC to consider those people who live in that area whenever they are recruiting staff.

Mr. Temporary Deputy Speaker, Sir, in every project like this one, there is an element of compensation. People who lost their homes, beehives and mines are supposed to be compensated. I am sure there was an amount of money - more than Kshs500 million - which was set aside for the purposes paying of compensation at the Turkwel Gorge Project, but it never got to the people in that area. Where did that money go? Who was compensated? The poverty which is evident around that area attests to the fact that nobody was compensated unless, of course, it went to people who must have come from far.

Mr. Temporary Deputy Speaker, Sir, the budget for rural electrification in West Pokot District is about K£680,000. Surely, what is that amount going to do? In whose account will that money be banked? Will it go to the DC's account and if so, how will they determine where it will go? I believe that the time has come for Government projects to be taken to the constituencies, so that we know which constituency has been developed and which one has not been developed. That is the reason why we are in this Parliament. We come here because our constituents have sent us. If the K£680,000 is disbursed to the DC's account then the DDC in West Pokot can decide to just take it to one constituency every year. How are we going to ensure that other constituencies benefit? When is the Government going to make constituencies the primary units of development? It is only by so doing that we shall be assured that we are voting for money in this Parliament that is going to benefit our people directly?

Mr. Temporary Deputy Speaker, Sir, Kacheliba Town in my constituency does not have electricity. In fact, the whole of my constituency does not have any electricity at all. There is no single line of power in Kacheliba Constituency. Why can we not benefit from the Rural Electrification Project? I request the Ministry to supply electricity to Kacheliba Constituency. This electricity can be drawn from Kapenguria Town which is about 40 kilometres away. In Kacheliba Town, we have got a secondary school, a health centre which has also a TB manyatta, divisional headquarters, four primary schools, a police station and many homes which will definitely use this resource. This project should be handled through the Rural Electrification Project.

Mr. Temporary Deputy Speaker, Sir, Pokot County Council should benefit from the Turkwel Gorge Project. If two per cent of the income from the electricity generated from this project could go to the Pokot County Council, then we will be sure that development will reach us. I am saying this because the Kerio Valley Development Authority (KVDA) which used to own this project has now been side-lined and yet it was the one which was supposed to compensate the county council. The county council should then be compensated directly by KENGEN and KPLC so that whatever resources they get, a percentage will come to us.

Mr. Temporary Deputy Speaker, I would also like to add that there is power supply in the KPLC/KENGEN centre around the Turkwel Gorge. If that power supply could be extended to cover at least a radius of 20 kilometres, the people around there could benefit directly from it. There are centres which are not far from there, like Kasei which serves as divisional headquarters and Kang'oleyang. These centres should benefit directly from that kind of electricity. There are schools, dispensaries and people in that place who would benefit from it.

Mr. Temporary Deputy Speaker, Sir, I would like to revisit the issue of Petroleum Levy. This year, West Pokot District has been given K£276,000. What will this amount do in West Pokot District? Will it build a road? I am hoping that this amount of money will do something tangible for us this year. But a place like West Pokot District which has been marginalised and left behind for many years should be receiving the attention of the Ministry. I would like the Ministry to give a special attention to West Pokot District, and more particularly to Kacheliba Constituency. This is a constituency, for reasons best known to the Government in the past and in the present has been neglected. The intention was that we should remain where we are for as long as we can. But now, we have decided to wake up and demand that we need to benefit from the Government. We need to be lifted from where we are to a place where we can catch up with the rest of Kenyans.

With those few remarks, I beg to support.

Mr. Murathe: Thank you, Mr. Temporary Deputy Speaker, Sir, for allowing me to contribute on this Vote.

Basically, most of the burning issues related to this Ministry have been mentioned, but I would like the Minister, in his response to address himself to some of these issues which are of concern to Kenyans. He should state what plans and programmes the Ministry has in terms of privatisation in the power sector. He should also state what plans they have in order to encourage strategic partners and investors to come into this country to help in the financing the expansion of the power requirements of this country. We all know the importance of the energy sector as the locomotive for the development in this country. In fact, it is my contention that one of the reasons which will make this

country not to industrialize according to the set targets is because we are getting our priorities upside down. The energy sector which is the locomotive for moving industry and industrialising agriculture has only been allocated Kshs1.2 billion. This is less than 1 per cent of the total national Budget. I do not know what we are supposed to do with that amount of money, so that we can provide electricity in the rural centres.

Mr. Temporary Deputy Speaker, Sir, you have heard contributions about constituencies which do not have even one pole of electricity in this country, 35 years after Independence. Where are our priorities? It is my contention that 50 per cent of this country is not covered by power. I am not surprised when the hon. Member for Kacheliba complains about those issues.

Mr. Temporary Deputy Speaker, Sir, I now want to turn to the Kenya Pipeline sector. We have to be more transparent in these projects. We are being told here that there are plans maybe, to expand the pipeline in the region, that is to Kampala in Uganda. However, this information is not open. It is not being shared with the rest of Kenyans. You will just be hearing of the deals once they have been done. I wish that the Minister addresses himself to these areas of transparency in the petroleum sector. I would wish to urge the Minister to be very clear about the Government policy in terms of these independent petroleum dealers.

Mr. Temporary Deputy Speaker, Sir, we have heard a lot about the adulteration of petrol and we agree here that liberalisation does not mean that we do not regulate ourselves. There is a lot of damage being done to the vehicles and the motorised equipment of Kenyans by people mixing kerosene with fuel. When he responds to this Motion, we would like the Minister to tell this House what measures he is taking to control this contamination of fuel. This is because you cannot have a *laissez faire* sort of approach to this sector. It is a dangerous sector and previously it was very thoroughly contained.

Mr. Temporary Deputy Speaker, turning to the National Oil Corporation of Kenya (NOCK), what role is it playing in a liberalised economy? If it is just another petrol station running company or a major player in distribution of petroleum products, why is it appearing in the budget as one of those corporations that need to be funded by this country? Let it go out there and compete with the other petrol dealers. NOCK's role as a strategic oil distributing company for the Republic has since outlived its usefulness.

Mr. Temporary Deputy Speaker, Sir, I would also like the Minister to clear the air about the coffee stabilisation matching funds that are purported to have been donated by the European Union for the rural electrification programme. We are told that out of the cess funds generated from the coffee cess money, the Ministry of Energy and particularly the KPLC is entitled to a certain percentage which should guarantee that we have electricity within the coffee-growing areas. Figures have been mentioned here. Things have been drawn up and down. I would like the Minister, in his response, to address himself to this issue of the STABEX funds in relation to rural electrification to the coffee factories. He should explain what the programme is all about, what is the status of that programme, where we are and where we are headed.

Mr. Temporary Deputy Speaker, Sir, I would also like the Minister to clarify what the Ministry is doing about tapping other alternative sources of energy. We have been relying on hydro-electric power for as long as we can remember and that is why we are so susceptible to the vagaries of the weather. Yes, we know people have moved into other sources of generating electricity. The Minister should also explain what programmes this Government has to ensure that we survive if we have a drought, for example, for the next three to four years.

That brings us to the issue of these independent power producers. The Minister must clearly tell this country the terms under which these people come in. The other day, we had an experience of a company which is not living up to its contractual obligations of supplying power. This is a company which was purported to have gone down and that it is going to be under repair for the next five to six months. What is the Minister going to do about this sort of thing? Put these things on the table and let this House look at them. Let the relevant committees go through some of these contracts so that we have some foolproof arrangement that ensures that we are not dealing with *bandia* people who just come, get deals even when they are not generating any power.

Mr. Temporary Deputy Speaker, Sir, I would also like to request the Ministry to look into areas where they can generate power from sources that are pumping water. I am thinking about my constituency, Gatanga. There are heavy volumes of water flowing from Ndakaini towards Nairobi. That is power that can be tapped and we can generate electricity which can be joined up with the national grid. The Ministry can pay the people of Gatanga for this power and even supply the people of Gatanga with electricity. We know that there will be no problem if we have the support of this Ministry.

Mr. Temporary Deputy Speaker, Sir, I am also thinking about the role of the Electricity Regulatory Board which has been mentioned by Members here. I do not know what they are regulating, considering that any application that has been made by the KPLC has been approved without reference to the Kenyan public. For the first time we have seen residents or Kenyans going to court to challenge tariffs for postal services. I can assure you that it is high time that Kenyans also challenged the cost of power in this country. The electricity tariffs in this country are among the highest

in the world and we know that a majority of Kenyans are not even able to afford them. We are a poor country.

Mr. Temporary Deputy Speaker, Sir, finally, let me also congratulate the Kenya Pipeline and the KPLC management. These are the two organisations which have maintained some element of professionalism in terms of management. They are some of the very few Government corporations which make profit in this country. We should not let people go to rock the boat there thinking that they will get those jobs just because they are "co-operating". I would also like the Minister, when he is responding, to seek the support of the Members of this House to come up with a policy paper framework to guide this country in terms of its energy requirements and how they intend to go about it, now and in the next 20 years.

Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. Sambu: Thank you, Mr. Temporary Deputy Speaker, Sir. In supporting this Vote of the Ministry of Energy, I want to bring up two or three issues. The first one is on electricity. We cannot industrialise; and this dream of being industrialised by the year 2020 cannot be realised if we continue using the same policies in the way we generate and distribute our electricity. The colonial Government and the Government that followed decided to site all the power-generating plants on the eastern slopes of Mount Kenya and the Aberdares. In fact, only on Tana River. It is a big risk they took. Whenever there are shortfalls in rainfall in these areas, then the power generation capacity of this country which depends on the hydro-electric power of the Tana River is affected.

Mr. Temporary Deputy Speaker, Sir, at the moment, we all know there is rationing of power because of the shortfall in the amount of water in the Tana River. We have put all our eggs in one basket. We have to spread the power generation particularly the hydro-power generation. Western Kenya is a region which receives more rainfall and there is documented evidence to attest to this fact.

Mr. Temporary Deputy Speaker, Sir, there are studies which have been carried out in the Nzoia, Yala Nyando and Sondu Miriu Rivers and they indicate that all those areas receive more rainfall. In fact, 75 per cent of the water flowing into Lake Victoria comes from the Western Escarpment catchment area. It is time this Government considered placing some power generation plants in that region. There should not be any more development of any more power station on the Tana River because doing that would amount to throwing away money like we have done in other projects.

Mr. Temporary Deputy Speaker, Sir, we just wonder where the experts are recruited from to do some of the feasibility studies that have been done on these projects. The project that we have done on the Turkwel Gorge is okay because it is already existing. But if you have to initiate a project on Nzoia River near Webuye, you do not need to do any tunnelling for the pipes which carry the water to the turbines. It should be on the surface but you still have to go and invest there seven times---

(Applause)

Webuye is much closer to the main line at Lessos. You do not have to construct a very long line to carry power to the main line. Let us be realistic because we are also concerned with this nation's resources. It is time we thought about putting plants on the Nzoia, Yala, Nyando and Sondu Miriu Rivers.

Another point is about the change in the gradient of the river. The rivers start on the slopes of Uasin Gishu, Keiyo, Nandi and Kericho regions and then descend down causing floods in Nyanza region. There is a big drop in altitude and that is good enough gradient for the dam construction because there will be enough force of water to rotate the turbines and produce power more cheaply.

Mr. Temporary Deputy Speaker, Sir, it is time we became answerable on these feasibility studies. We have to make sure that these feasibility studies are not done secretly so that we only see contracts being signed. We must insist that the feasibility studies are brought to this House for debate to ensure fair distribution of development throughout the country.

Mr. Temporary Deputy Speaker, Sir, at the moment KPLC is rationing electricity. If there is an enemy of Kenyans, it is that person who rations power. Many Kenyans are now jobless because throughout the day the factories are closed because KPLC and KenGen Company are rationing power.

They now have what they called Independent Power Producers (IPPs) who are guaranteed by the Government. On what basis are they guaranteed? There is favouritism in guaranteeing these companies. Let us be answerable to the people of this country. On what ground was Westmont guaranteed to put up a power plant in Mombasa? They put in a turbine and a jet engine there and it did not last even a year and yet they had used the resources of this country. It did not last for a year because it broke down and yet Kenyans are paying for that guarantee. Issues of development must be brought to the Floor of this House. Gone are the days when you could do a feasibility study, go to whatever place, pass it and say halleluya! It must be scrutinized by hon. Members in this House so that when Kenyans blame us, they know that we also saw it. We do not see many of these feasibility studies, but

they are just brought here and we guarantee them without seeing them.

Mr. Temporary Deputy Speaker, Sir, the price of electricity must be determined. There are two things which Kenyans are suffering from: rationing and the price of electricity. With the tariffs, KPLC will just put in anything they imagine. An hon. Member said that it is a good performing company. How is it a good performing company? Electricity in Kenya is the most expensive commodity! When the Minister stands up to reply, let him tell me which other country has got higher rates of electricity. It is much higher! Whether it is because they generate it expensively, it is none of our business. We want cheaper electricity so that we can produce our goods cheaply.

Mr. Temporary Deputy Speaker, Sir, I will turn to the Rural Electrification Programme and I demand that, when the Minister comes to reply, he tables a document here to show how the distribution of rural electrification money is done.

(Applause)

We want to see the Rural Electrification Programme for 1998/99. When I went to the KPLC, the man in charge of the Rural Electrification Programme told me that, that is a secret document. What is a secret document? Is about war? Thank God Kenya is not at war with anybody! Why is the Rural Electrification Programme a secret document? It is a secret document because they want to use it to please others and to punish others. In my constituency there are people who have paid 10 per cent, an amount you are required to pay before you get power through the Rural Electrification Programme. The people paid 10 per cent five years ago and they have not been supplied with electricity. The money is lying with the KPLC. I do not know why they have been discriminated against. If it is voting for KANU, we voted for KANU. So, what is this discrimination all about? We do not know what the reason is. If it is voting for KANU, then we are very sorry that we did vote for you so that you discriminate against us.

An hon. Member: You are in KANU! Do not tell us anything!

Mr. Sambu: Well, whatever I am, I am a Kenyan who pays taxes and I represent people who pay taxes. I want this Ministry to know that leaving the Rural Electrification Programme to KPLC alone is a sin. They are committing a sin and the Almighty God will one day charge them. This is because all areas need to develop even *Jua Kali*. How can you develop *Jua Kali* without the supply of electricity? When a PS went to a school for an Harambee in Eldoret, he said: "Ah, you have no electricity! There shall be electricity here on Monday." On Monday, everybody in Eldoret was ordered to carry the poles and the cables and those people have never appeared in the DDC; they have not paid the 10 per cent! Who is this PS in Energy or the Managing Director in KPLC? These are public resources! There are not---

The Minister for Renewable Energy Development (Mr. F.P.L. Lotodo): On a point order, Mr. Temporary Deputy Speaker, Sir. Could the hon. Member for Mosop Constituency give us the names of those places where somebody went for Harambee and promised electricity on Monday and there were poles and cables? Could he give the names of those places?

Mr. Sambu: Thank you, Mr. Temporary Deputy Speaker, Sir. I will give him the chronology of it. I will give him the list of the people who paid for electricity five years ago and they have never received electricity. Then he can also check those who have not paid 10 per cent but have received it.

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Sambu! The point of order was that you supply the names of institutions which were promised electricity on Saturday and they got it on Monday. That was the point of order.

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, the Minister knows that it happened because he does not control KPLC and there is no power--- It is controlled by his PS?

The Temporary Deputy Speaker (Mr. Musila): Order! Mr. Sambu, your time is over.

The Minister for Renewable Energy Development (Mr. F. P.L. Lotodo): Mr Temporary Deputy Speaker, Sir, the Member of Parliament for Mosop did not comply with your order. I need the names of the places now and he cannot get away it! I need the names now!

Mr. Sambu: Mr. Temporary Deputy Speaker, Sir, I can resign; I have no problem. Do you know the days of Kipipiri election?

The Temporary Deputy Speaker (Mr. Musila): Order! Order! Mr. Sambu, I think you are being disorderly. I have already reminded you that your time is up. So, please, sit down. Mr. Kajwang, proceed!

Mr. Kajwang: Thank you, Mr. Temporary Deputy Speaker, Sir. I come from a "dark area" called Mbita Constituency. The constituency is "dark" because there is no single electricity post. So, I would like the Minister for Energy to listen to me very carefully.

It is not only Mbita Constituency that lacks electricity; the entire Suba District, with Mbita and Gwasi

Constituencies, has no electricity. The district is 41 kilometres from an electricity post, in Homa Bay District. I can say that ours is not a very "dark" district. Some people said that their districts were forgotten. Ours was not forgotten as such, because it "gave birth" to the late hon. Tom Mboya. However, his home has no electricity. It is very serious that nearly 40 years after Independence, the home of a nationalist who fought and died for the liberation of this country has no electricity.

Mr. Temporary Deputy Speaker, Sir, when I asked a Question on this matter last time, the Minister for Energy then, who is now in charge of the Finance docket, said that he had set aside Kshs15 million for electrification of the district. I would now like the Minister for Energy to ensure that his counterpart at the Treasury gives him the Kshs15 million he had promised me, so that the money can be given to the KPLC to provide electricity to the district; there is, at least, an electricity post some 41 kilometres away from the district. In the area, there is a so-called district hospital, without electricity. How can women give birth without electricity? How can a doctor see that "thing" using a candle light?

Dr. Galgalo: On a point of order, Mr. Temporary Deputy Speaker, Sir. The hon. Member has explained that the area's district hospital does not have electricity. However, is he in order to ask hon. Members of this House to explain how women give birth to children? How is electricity related to giving birth to children?

The Temporary Deputy Speaker (Mr. Musila): Dr. Galgalo, I see nothing wrong with what Mr. Kajwang said. Could you proceed, Mr. Kajwang?

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, people in the whole of Nyanza Province do not know anything about the Rural Electrification Programme. If there is any place where the programme has been implemented in the area, that place is in Rongo Constituency. That place was lucky to have had somebody called Mr. Oyugi, who also died. The programme has not been implemented anywhere else in Nyanza District, because the Managing Director of the KPLC has been a Kikuyu for the last 20 years, and he hates Luos.

The Assistant Minister for Tourism, Trade and Industry (Mr. Sankori): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to impute improper motive on a very hard-working Kenyan, who heads the KPLC, by calling him a Kikuyu?

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, I do not know of his ability because it is not reflected in my constituency.

The Temporary Deputy Speaker (Mr. Musila): Order! Order! Mr. Kajwang, you are quite out of order to bring in the name of a person who is not here to defend himself, and to tribalise debate. Could you withdraw that statement?

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, if the Managing Director of the KPLC brings electricity to Suba District, I will withdraw the statement.

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

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, I withdraw the statement; I am sorry for having made it.

Mr. Temporary Deputy Speaker, Sir, the oil industry in this country is being controlled by a cartel, which calls itself "The Big Eight". When I read the editorial of the *East African Standard* newspaper this morning, I was surprised to see that the Editor of that newspaper seems to campaign for this cartel, so that it can continue to monopolise and exploit this country's economy. The so-called "Big Eight" campaigned for the liberalisation of the energy sector. When the sector was finally liberalised, they recreated liberalisation in the brink of crisis. The prices of their oil products sky-rocketed, and we could not afford them.

Liberalisation opened up the sector to small players, who started selling oil products cheaply. Now that the big players are suffering, they are calling for a regulatory body to check the operations of the small players. So, liberalisation seems to be good only when the "Big Eight" benefit. When the small players also benefit, liberalisation ceases to be good. What kind of liberalisation is this? Did the "Big Eight" not come to this country to monopolise the sector, so that they could make money? Between 1991, when the Gulf War broke out, and recently, when liberalisation came in, very many petrol stations have been built in this country. Petrol stations have increased by about 50 per cent of the country's capacity, because there is too much money in the oil industry. Nobody can build a petrol station unless he is sure that he will make profit. Those people make that big money, and would not like small-scale dealers to rise and make some little money. There is this propaganda called "adulteration" of oil products. Whenever the members of the "Big Eight" go for cocktails, they talk of "adulteration" of oil products by the small-scale dealers, environmental degradation by such adulterated oil products and destruction of engines which use such oils.

Not even a single expert from the Kenya Bureau of Standards (KBS) has ever caught anybody selling adulterated oil. Now, what is this talk of adulterated oils by the so-called "Big Eight" all about? We are being exploited by these people, but we are not protesting. Our newspapers and some hon. Members are supporting them; they do not know what they are talking about. We are losing a lot of money. We are creating jobs for the French, Britons and

Americans as we lose jobs for ourselves. These people make money in Kenya and invest it in their countries, and we come here to support them.

An hon. Member: Nobody is supporting them!

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, some hon. Members said that the NOCK is a useless institution which should now be wound up. Before liberalisation NOCK was, at least, given some little say in the oil industry. The Corporation imported 30 per cent of the country's crude oil requirement. So, it regulated the prices of oil products since it sold its products at reduced prices. However, the recommended prices of oil products for the industry is now very high.

Mr. Temporary Deputy Speaker, Sir, as of last week, the recommended wholesale price by the "Big Eight" for super petrol was Kshs48 per litre. The NOCK sold the same product at Kshs41 per litre, because the Corporation is ready to make a profit of 50 cents per litre and save this country. On that note, I would like to call upon the Government to give the monopoly of importing crude oil into the country to the NOCK. The Corporation should import 100 per cent of crude oil as well as refined oil, if any is required, so that it can sell oil products at a price that can save this country's economy. There is a lot of money in the oil industry. A difference of 50 cents in price in one day costs the country billions of shillings, enough money to pay our huge domestic debt.

The cartel of the so-called "Big Eight" is destroying our country's economy, and we say: "We have moved into liberalisation; so, we should just let things go on". The members of this cartel no longer want the sector to remain liberalised; they want it regulated, so that we can never have a say in the prices of fuel products. The prices of fuel products destroy the country when they increase, and help it when they fall. When the prices of fuel products increase, the costs of land ploughing, public transport, and those of other related services, increase. The oil sector is so important to the economy of this country that we cannot afford to let eight *wazungus* control it; we must protect our country.

Mr. Temporary Deputy Speaker, Sir, we must protect our country. I will move a Motion in this House that the oil industry in this country must be regulated. By regulation, I mean giving the monopoly to an indigenous company owned by Kenyans like the NOCK to import 100 per cent of oil, sell it at a low price and instruct the dealers to sell it at a certain price so that Kenyans can benefit from their resources.

Hon. Members: You are talking now!

Mr. Kajwang: Mr. Temporary Deputy Speaker, Sir, we have cottage industries in this country which are small-scale industries. Recently, I went to India and wondered what makes their goods cheap. Paper imported from India and is paid for 40 per cent duty still competes with our locally-manufactured paper.

The Temporary Deputy Speaker (Mr. Musila): Order! Hon. Kajwang, your time is up.

The Assistant Minister for Education, Science and Technology (Dr. Wamukoya): On a point of order, Mr. Temporary Deputy Speaker, Sir. In view of the fact that we have discussed the Vote of the Ministry of Energy exhaustively, could the Chair call upon the Mover to reply?

Hon. Members: No! No!

The Temporary Deputy Speaker (Mr. Musila): Order, Dr. Wamukoya! In any case, I was going to ask the Minister for Energy who is the Mover of the Motion to reply because it is time for him to do so.

The Minister for Petroleum Energy (Dr. Masakhalia): Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to express my appreciation to hon. Members for showing interest and concern on issues relating to the energy sector. Hon. Members have made useful proposals which we will review to formulate policies and programmes for the development of the sector. Let me further assure the House that the Ministry will endeavour to address the issues raised by hon. Members.

Some hon. Members enquired about the plans the Government has in place to privatise the Kenya Pipeline Company (KPC). I would like to inform hon. Members that the Government has continued to treat the KPC as a strategic parastatal given the efficiency of the pipeline to transport oil relative to the other modes of transport and the need to have access by all oil marketers. However, the Government is committed to a gradual privatisation of the KPC commencing in the year 2001 when 26 per cent of the equity will be off-loaded to a strategic investor.

A number of hon. Members raised questions on the extension of the oil pipeline from Eldoret to Kampala. I would like to say that a detailed study carried out on the extension of the oil pipeline from Eldoret to Kampala has ascertained that the extension is not only technically visible, but also economically and financially viable. Arising from this, both the Kenya and Uganda Government are exploring financing modalities and source.

Mr. Temporary Deputy Speaker, Sir, questions have also been raised on the construction of the LPG import handling and storage facilities at Mombasa. The need for the construction of an LPG import handling and storage facilities was identified in the late 1980s. The oil refineries supply has always been less than demand. With the delegation of the oil industry in 1994, the need to construct such facilities became more critical as the traditional supply from the oil refinery would be reduced through the importation of refined products. Faced with this falling supply

situation, and in addition the rising LPG demands, the Government set aside K£15 million in 1994/95 Budget for the construction of import handling and storage facilities by the KPC. As these funds were and are still inadequate, the Government has mandated the KPC to look for a strategic equity partner who will take responsibility to mobilise resources for 55 per cent of the project with the KPC taking the remaining 45 per cent. This project, when completed is not only expected to be available to all importers including the traditional oil importers as a common user facility, but also provide investment opportunities in the glass and other industries whose development has been hampered by lack of adequate LPG supply among other factors. Further, this project is expected to deflate the cost of supply which accounts for more than 50 per cent of the landed cost at Mombasa.

Mr. Temporary Deputy Speaker, Sir, the project for the construction of the track loading arms for petroleum for use at Nairobi by the NOCK has been raised by a number of hon. Members. In this regard, I would like to say that to deepen liberalisation of the petroleum industry and thus encourage market entry by new economic players, the Government has decided to support the construction of track loading arms at Nairobi terminal of the oil pipeline which will be available to users at a fee. The construction of this facility is being necessitated by the reluctance of the oil major to load in facilities to the NOCK and other new market entrants at a fee. Hon. Members will note that Western Kenya oil terminals at both Nakuru and Eldoret where loading arms have been provided by the KPC competition has resulted in lower prices with the entry of new players.

Hon. Members have also raised questions on the current high cost of oil. My observations on this are as follows:

The high prices of petroleum products are due to escalation of international oil prices which for crude largely accounts for more than 70 per cent of our crude oil imports, which have risen by more than 100 per cent from US \$10 per barrel in January, 1999 to US \$23 in September, 1999. The depreciation of the Kenya Shilling relative to the US dollar and the official oil trading currency further resulted in the escalation of domestic consumer prices of oil.

Concern has been widely expressed about dumping of export petroleum products in the Kenyan market. I would like to indicate that the Ministry of Energy has held various meetings with the concerned stakeholders to curb this practice. A sub-committee on anti-dumping with membership drawn from the Government and the oil sector meets every month to review anti-dumping activities. In addition to this committee, the Government has instituted several measures towards eradicating practices, namely:

- (i) Restricting road export fuel to Eldoret and Kisumu to the KPC terminals.
- (ii) Manning export of oil to Somalia, Sudan and Ethiopia except by sea.
- (iii) Vetting of all export tracks by the KPC.
- (iv) Escort of the tracks from Eldoret and Kisumu to the border point.
- (v) Marking all export petroleum products with bio-code marker that can be detected through sampling even when mixed with other products.

These measures have almost eliminated dumping thus providing additional revenue to the Exchequer.

Mr. Temporary Deputy Speaker, Sir, new and renewable energy resources received considerable comments from hon. Members. Given the low level of economic development, fuel wood will continue to be used by the majority of the rural population and urban poor. It is, therefore, prudent that policy measures be put in place to enhance production of wood fuel and ensure its efficient utilisation.

Regarding solar energy, the Ministry of Energy is promoting wider adoption of solar energy. We recognise the tremendous potential that solar energy holds as most of our country receives between four to six kilowatt-hour per square metre a day. Our campaign is directed to a wider adoption of solar PV system for solar electric generation and solar heat systems. We are taking additional measures in such areas as wind energy and in the mini micro-hydro power.

In view of its importance, the Rural Electrification Programme (REP) has been a focus of attention by hon. Members. Let me talk about its source of resources. The resources are drawn from three main areas. The first is the five per cent electricity levy on electricity sales by KPLC estimated at Kshs720 million per year. The Exchequer contribution per annum is approximately Kshs500,000. At the moment, there are also two external donors - Spain and the European Union (EU). A credit of US\$10.57 million has been procured to finance 32 projects from Spain. The EU has given us a grant of Kshs375 million.

Mr. Temporary Deputy Speaker, Sir, hon. Members also directed questions to the coffee factories' electrification programme. I would like to inform the House that the coffee factories' electrification programme is being implemented in phases through the financing from the EU to cover a total number of about 886 factories identified countrywide.

Before I conclude, the Member of Parliament for Kimilili drew my attention to the fact that there is no provision to meet the salary of one Minister and an Assistant Minister in the Ministry of Energy. That fact is correct. This omission will be regularised during the Supplementary Estimates.

Finally, Mr. Temporary Deputy Speaker, Sir, with these few remarks, I beg to move the Motion.

Mr. Murathe: On a point of order, Mr. Temporary Deputy Speaker, Sir. Did you hear the Minister saying that he will rectify the issue of one Minister and an Assistant Minister in the Ministry of Energy who are not catered for in the Printed Estimates when he will bring to the House the Ministry's Supplementary Estimates? What will happen to them? Where will they be earning their salaries and allowances in the meantime?

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Murathe! If you wish to discuss that matter, wait until the House goes into the Committee.

(Question put and agreed)

Mr. Murathe: On a point of order, Mr. Temporary Deputy Speaker, Sir!

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Murathe! Could you sit down?

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

IN THE COMMITTEE

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

Vote 30 - Ministry of Energy

(Mr. Murathe stood up in his place)

The Temporary Deputy Speaker (Mr. Musila): Order, Mr. Murathe! Could you be orderly? There is time for everything. You should first let the business of the Committee start and then raise your point of order. I have not even taken the Chair and you are already up on a point of order.

QUORUM

Mr. Murathe: On a point of order, Mr. Temporary Deputy Speaker, Sir. There is no quorum in the House.

The Temporary Deputy Speaker (Mr. Musila): Let the Division Bell be rung.

(The Division Bell was rung)

The Temporary Deputy Speaker (Mr. Musila): Order! We now have a quorum and, therefore, we will proceed.

The Minister for Petroleum Energy (Dr. Masakhalia): Mr. Temporary Chairman, Sir, I beg to move:- THAT a sum not exceeding K£36,960,050 be issued from the Consolidated Fund to complete the sum necessary to meet the expenditure during the year ending 30th June, 2000 in respect of:-

Vote 30 - Ministry of Energy

(Question proposed)

RECURRENT EXPENDITURE

SUB-VOTE 300 - GENERAL ADMINISTRATION AND PLANNING

Head 428 - Personal Emoluments

Mr. Munyasia: Mr. Temporary Deputy Chairman, Sir, under Head 428, Item 000 on Personal Emoluments, the Minister has already accepted that there is provision for only one Minister. So, I suppose this is the senior Minister

who has presented the Vote. Since we are supposed to take it for granted that they are taking these things very carefully, what explanation does the Minister have for this serious omission? Where we have two Assistant Ministers there is only a provision for one Minister and where we have three Assistant Ministers there is provision for only two Ministers. What is the explanation for this serious omission?

The Minister for Petroleum Energy (Dr. Masakhalia): Mr. Temporary Deputy Chairman, Sir, I believe that this allocation has already been made in one of the Votes and that the Accounting Officer for that particular Ministry where the allocation was made, will issue an Authority to Incur Expenditure (AIE) to the Accounting Officer in the Ministry of Energy. This process will be carried out until the Supplementary Estimates are produced and the situation regularised.

Mr. Munyasia: Mr. Temporary Deputy Chairman, Sir, I asked for the reasons why this was not provided for. I did not ask what arrangements they have made to make sure that the people concerned are paid. I asked: "Why"?

The Minister for Petroleum Energy (Dr. Masakhalia): Mr. Temporary Chairman, Sir, this is inadvertent error which will be corrected in the manner I have outlined.

(Heads 428 and 429 agreed to)

(Sub-Vote 300 agreed to)

SUB-VOTE 301 - RENEWABLE ENERGY

(Heads 430, 433 and 434 agreed to)

(Sub-Vote 301 agreed to)

SUB-VOTE 302 - ELECTRIC POWER DEVELOPMENT

(Heads 435 and 436 agreed to)

(Sub-Vote 302 agreed to)

SUB-VOTE 303 - PETROLEUM EXPLORATION AND SUBSTITUTION

(Head 427 agreed to)

(Sub-Vote 303 agreed to)

(Vote R30 agreed to)

DEVELOPMENT EXPENDITURE

SUB-VOTE 300 - GENERAL ADMINISTRATION AND PLANNING

Head 428 - Energy Sector Development Programme

Mr. Murathe: Mr. Temporary Deputy Chairman, Sir, under Head 428, Item 538 on Energy Sector Development Programme, there is a provision of K£8 million. Can the Minister tell this Committee what this programme is all about?

The Minister for Petroleum Energy (Dr. Masakhalia): This is an International Development Agency (IDA) soft loan which will be used by the KPLC in the extension of transmission lines. We would like to have a direct transmission line from Seven Forks Falls coming through to Nairobi. This is a project which is already being implemented, and we hope this will diversify the route that the transmission from the Seven Forks Falls now take. Currently, the whole load passes through one transmission line. This will be used to diversify the transmission line from Gitaru direct to Nairobi.

(Heads 428 and 429 agreed to)

(Sub-Vote 300 agreed to)

SUB-VOTE 301 - RENEWABLE ENERGY DEVELOPMENT

(Heads 430, 433 and 434 agreed to)

(Sub-Vote 301 agreed to)

SUB-VOTE 302 - ELECTRIC POWER DEVELOPMENT

Head 444 - Rural Electrification Programme

Mr. Munyasia: Mr. Temporary Chairman, Sir, could the Minister clarify on Head 444 on page 808, on Rural Electrification? We have heard of some programme for electrification of coffee factories. I have very many such factories in my Constituency. I can only see K£980,000 for rural electrification in my district. Does this include the money for electrification of coffee factories?

The Minister for Petroleum Energy (Dr. Masakhalia): Mr. Temporary Chairman, Sir, the hon. Member should look at Item 211, on Coffee Industry Rural Electrification Sub-Programme. There is a note under the Source of Finance which says: "EDF/EEC". That is the money which is supporting the coffee factories. This is not the normal rural electrification programme which is financed separately.

Mr. Munyasia: Mr. Temporary Deputy Chairman, Sir, could the Minister then tell us where this money under item 211 is going to be spent? Which areas are benefiting? Specifically, is Bungoma District benefiting from this money?

The Minister for Petroleum Energy (Dr. Masakhalia): The coffee factory electrification programme covers the entire coffee growing areas, whether it is Bungoma, Murang'a, Nyeri or Kisii. There is a programme which the hon. Member can be shown if he only consulted us after passing the Vote.

(Head 444 agreed to)

(Heads 435 and 436, agreed to)

(Sub-Vote 302 agreed to)

SUB-VOTE 303 - PETROLEUM EXPLORATION AND SUBSTITUTION

Head 426 - National Oil Corporation of Kenya

Mr. Murathe: Mr. Temporary Deputy Chairman, Sir, in view of the remarks that the Minister made, why should this House make provisions under the NOCK for petroleum exploration?

The Minister for Petroleum Energy (Dr. Masakhalia): I think it is important that we continue making our own efforts to explore any manifestations of fossil oil.

Mr. Temporary Deputy Chairman, Sir, as I said in my introductory remarks when I presented my Vote, in the past we have benefited from overseas foreign companies assisting us in our exploration efforts. That flow has kind of tapered away. We now need to maintain the momentum by putting in our own resources. That is the rationale for asking for those resources.

Mr. Murathe: Mr. Temporary Deputy Chairman, still on Head 426, under item 533 - Nairobi Terminal Road Tankers Loading Facility, what are the current facilities for? There is the view that the major oil dealers have been off-loading in Nairobi and not allowing the other independent petroleum dealers to off-load from here. That is the reason

they are off-loading from Nakuru. What provision is this Ministry making in that regard?

The Minister for Petroleum Energy (Dr. Masakhalia): The resources being asked for under that regard are designed to enable NOCK to have that loading facility. Apparently, NOCK has that kind of facility in Kisumu and Nakuru. That explains, in fact, the relatively lower prices of petroleum products in those town than in Nairobi. It has facilitated small operators to have a facility for obtaining petroleum products. We want to increase competition. The new operators should come into the industry and compete away the rather excessive profit margins.

(Head 426 agreed to)

(Heads 427 and 709 agreed to)

(Sub-Vote 303 agreed to)

(Vote D30 agreed to)

(Question put and agreed to)

(Resolution to be reported without amendment)

(The House resumed)

*[The Temporary Deputy Speaker
(Mr. Poghisio) in the Chair]*

REPORT

Vote 30 - Ministry of Energy

Mr. Musila: Mr. Temporary Deputy Speaker, Sir, I am directed to report that the Committee of Supply has considered the Resolution that a sum not exceeding K£36,960,050 be issued from the Consolidated Fund to complete the sum necessary to meet expenditure during the year ending 30th June, 2000 in respect of Vote - 30 Ministry of Energy, and has approved the same without amendment.

The Minister for Petroleum Energy (Dr. Masakhalia): Mr. Temporary Deputy Speaker, Sir, I beg to move that the House doth agree with the Committee in the said Resolution.

The Minister for Information, Transport and Communications (Mr. Mudavadi) seconded.

(Question proposed)

(Question put and agreed to)

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Poghisio): Hon. Members, that concludes our business for the day. The House stands adjourned until Thursday, 21st October at 2.30 p.m.

The House rose at 5.40 p.m.