

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 9<sup>th</sup> November, 2011

The House met at 9.00 a.m.

*[The Temporary Deputy Speaker  
(Dr. Laboso) in the Chair]*

### PRAYERS

### QUESTIONS BY PRIVATE NOTICE

#### CLOSURE OF NAISHI/LARE NCPB DEPOT

**Mr. Kiuna:** Madam Temporary Deputy Speaker, I beg to ask the Minister for Agriculture the following Question by Private Notice.

(a) Why was the Naishi/Lare National Cereals and Produce Board (NCPB) depot closed?

(b) When will the depot be re-opened and staff posted, in view of the bumper harvest expected in the division this year?

**The Assistant Minister for Agriculture** (Mr. Ndambuki): Madam Temporary Deputy Speaker, the depot will be opened and officers will be posted there before the end of this month.

**Mr. Kiuna:** Madam Temporary Deputy Speaker, I appreciate the answer given by the Assistant Minister. I would like him to reassure the people of Molo Constituency that this depot will always be operational because it has been inoperational for the last two years. If, indeed, he is sincere to his word, he needs to state when he will commission it officially.

**Mr. Ndambuki:** Madam Temporary Deputy Speaker, I said it will be opened before the end of this month. If the hon. Member wants to accompany me when it will be opened, I am ready to do so.

**Mr. Gitari:** Madam Temporary Deputy Speaker, part (a) of the Question asked why the depot was closed in the first place. Must we wait for hon. Members to ask Questions in Parliament, so that they can re-open these NCPB depots?

**Mr. Ndambuki:** Madam Temporary Deputy Speaker, I was not even aware that the depot was closed until I discussed with the hon. Member. I took up the matter with the NCPB and they have assured me that they will reopen it before the end of this month.

**Mr. Kioni:** Madam Temporary Deputy Speaker, you realize that the Assistant Minister did not answer the question that was asked by Mr. Gitari. The question was “why?” When he got in touch with the NCPB, they must have told him why they closed the depot. The other thing is that we have only 20 days to the end of the month. Could he tell us the date when he will open the NCPB depot in Molo? We want to know the date and not to be told a story!

**Mr. Ndambuki:** Madam Temporary Deputy Speaker, they claimed that it was closed because there was insufficient crop at that time. However, we now know that there is a lot of food in the area. I have also said that I will consult with them and agree on the matter, then I will let the hon. Member know when we will do so.

**Mr. Gaichuhie:** Madam Temporary Deputy Speaker, there is opening of the depot and there is the issue of buying of maize. Is he opening the depot for the sake of it as is the case in Subukia or is he opening the depot in order to buy maize?

**Mr. Ndambuki:** Madam Temporary Deputy Speaker, all the depots are open to buy maize at the moment. Once we open this particular depot, they will buy maize.

**Mr. C. Kilonzo:** Madam Temporary Deputy Speaker, in that case, how much money has the Assistant Minister provided for this particular NCPB store to ensure that farmers' maize is bought?

**Mr. Ndambuki:** Madam Temporary Deputy Speaker, could the hon. Member repeat that question, please?

**Mr. C. Kilonzo:** Madam Temporary Deputy Speaker, how much money is allocated to this particular store to buy maize?

**Mr. Ndambuki:** Madam Temporary Deputy Speaker, at the moment, I cannot give a figure. However, I know that the moment we open the depot, it will be given money to buy maize like any other store.

**Mr. Njuguna:** Madam Temporary Deputy Speaker, now that the farmers in this area expect to have a bumper harvest, what plans does the Ministry have to expand the stores facility, not only in Molo, but also other regions?

**Mr. Ndambuki:** Mr. Temporary Deputy Speaker, this House passed the budget of the Ministry of Agriculture where the Ministry will construct 40 new stores in different parts of this country, so that we can have enough food in the stores.

**Mr. Kiuna:** Madam Temporary Deputy Speaker, since we are expecting to have a bumper harvest this year in most parts of Rift Valley, I would like the Assistant Minister to tell this House how long it takes for a farmer to be paid when he takes his maize to the NCPB.

**Mr. Ndambuki:** At the moment, the National Cereals and Produce Board (NCPB) pays farmers as they deliver their produce. They are not waiting.

**The Temporary Deputy Speaker (Dr. Laboso):** Hon. Members, we will slightly change the order of the Questions and address Question No.1250 because of circumstances the Minister cannot avoid. We want him to answer that Question

So, let us go to Question No.1250 by the Member for Bura. That is the last Question on the Order Paper.

**Dr. Nuh:** Madam Temporary Deputy Speaker, I just want to bring it to your attention that I still do not have a copy of the written answer. I beg to ask Question No.1250.

## ORAL ANSWERS TO QUESTIONS

### *Question No.1250*

#### NON-PAYMENT OF WAGES TO YOUTHS UNDER KKV IN BANGALI

**Dr. Nuh** asked the Minister for Youth Affairs and Sports:-

(a) what the findings by the Minister were on the non-payment of the youths in Bangali under the *Kazi Kwa Vijana* (KKV) programme in June – July, 2010;

(b) what disciplinary measures he has taken against the officer(s) who forged signatures of the youths in the payment sheets purporting to have paid them; and,

(c) why the youths have not been paid and when they will be paid.

**The Temporary Deputy Speaker** (Dr. Laboso): Mr. Minister, can you explain why the hon. Member does not have the answer to this Question?

**The Minister for Youth Affairs and Sports** (Dr. Otuoma): Madam Temporary Deputy Speaker, I am told that a copy of the written answer to this Question was dropped in the Member's office at Continental Building and some copies sent through the Clerk. So, I do not know if the hon. Member has checked in his office. This is because I have been assured that those copies were dropped in his office at Continental.

**The Temporary Deputy Speaker** (Dr. Laboso): What about the copy that is normally sent to the Chambers?

**The Minister for Youth Affairs and Sports** (Dr. Otuoma): Madam Temporary Deputy Speaker, that is what I was just checking and I have been told that these copies were dropped. However, more are coming. I have just asked for copies of the written answer to be brought.

**The Temporary Deputy Speaker** (Dr. Laboso): That notwithstanding, is the hon. Member willing to continue with the response?

**The Minister for Youth Affairs and Sports** (Dr. Otuoma): Madam Temporary Deputy Speaker, maybe if we can just take one more Question so that I can get the copies of the written answer.

**The Temporary Deputy Speaker** (Dr. Laboso): Is that in order, Dr. Nuh or do you want the Minister to continue answering the Question at this point?

**Dr. Nuh:** Madam Temporary Deputy Speaker, this is an issue which is so dear to me. So, I would not like to make a mistake of interrogating it without having seen the copy of the written answer.

**The Temporary Deputy Speaker** (Dr. Laboso): That is okay. Hon. Members, we will then move on to Question No.2 by Private Notice. That Question is by the hon. Member for Kisumu Town West.

## QUESTIONS BY PRIVATE NOTICE

### DEATH OF HILARY OMONDI GUYA

**Mr. Olago:** Madam Temporary Deputy Speaker, I beg to ask the Minister of State for Provincial Administration and Internal Security the following Question by Private Notice.

(a) Under what circumstances did Mr. Hillary Omondi Guya die while in custody at Kayole Police Station on 30th September, 2011?

(b) What action is the Ministry taking to ensure that an independent investigation by police officers from outside Kayole Police Station is conducted, considering that there are contradictions in the statements of witnesses in the Occurrence Book at the police

station, alleged treatment at Patanisho Hospital and the post mortem report, which disclosed the cause of death was torture by police officers on duty at the station?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Madam Temporary Deputy Speaker, I would like to seek the Chair's indulgence to defer this Question because we received it late yesterday at around 7.00 p.m.

*(Loud consultations)*

**The Temporary Deputy Speaker** (Dr. Laboso): Order, hon. Members! Please lower the level of consultations!

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Madam Temporary Deputy Speaker, I seek the indulgence of the Chair to defer this Question until next week since we received it last night. So, it was not possible for me to come up with something concrete. I request the Questioner to bear with us in order for me to come up with a good answer by Wednesday morning. This is because I will not be around tomorrow. I will be back on Tuesday. So, I do not want the Question to be deferred simply because I will not be in the House. I would like to answer it on Wednesday morning if possible or on Tuesday afternoon.

**The Temporary Deputy Speaker** (Dr. Laboso): Mr. Assistant Minister, did you say you received the Question last night?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Yes, Madam Temporary Deputy Speaker. Actually, I have the copies here.

**The Temporary Deputy Speaker** (Dr. Laboso): It is okay. The Question is by Private Notice.

**Mr. Olago:** Madam Temporary Deputy Speaker, I do appreciate the concern of the Assistant Minister. I gave other information that I think should help him to do that. However, as we wait for the answer on Tuesday afternoon – I request that the Question be answered in the afternoon – I request that the matter be investigated by other police officers not from Kayole Police Station because they are the ones who have been giving false information.

Madam Temporary Deputy Speaker, if you agree, we can have the Question on Tuesday afternoon.

**The Temporary Deputy Speaker** (Dr. Laboso): Mr. Assistant Minister, you will answer the Question on Tuesday afternoon!

*(Question deferred)*

Let us move on to the Question by Mr. Gitari!

**Mr. Gitari:** Madam Temporary Deputy Speaker, although I have not received a copy of the written answer, I beg to ask this Question.

KILLING OF EDWIN KEGA

**Mr. Gitari:** Madam Temporary Deputy Speaker, I beg to ask the Minister of State for Provincial Administration and Internal Security the following Question by Private Notice.

(a) Under what circumstances was Mr. Edwin Kega, a First Year student at Kenyatta University, killed in Kaitheri Village on the night of 29<sup>th</sup> October, 2011?

(b) What measures is the Ministry taking to ensure security in the region is enhanced?

(c) Could the Minister consider establishing a police post within Kaitheri area?

**The Temporary Deputy Speaker** (Dr. Laboso): Yes, the Assistant Minister of State for Provincial Administration and Internal Security!

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Madam Temporary Deputy Speaker, this Question also has the same problem. We received five Questions by Private Notice last evening and all of them are here. So, I also request that this Question be deferred until next week in order for me to come up with a good answer for hon. Gitari. Wednesday morning will be ideal.

*(Mr. Kioni stood up in his place)*

**The Temporary Deputy Speaker** (Dr. Laboso): What is your point of order, Mr. Kioni?

**Mr. Kioni:** Madam Temporary Deputy Speaker, the reason why these Questions were raised under Private Notice is because of the urgency of the matter. Allowing the Assistant Minister until next week to answer them will have negated the essence of asking Questions by Private Notice. Why can he not answer them tomorrow?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Madam Temporary Deputy Speaker, if you look at the Question, you will find that it involves death – somebody has been killed or somebody had died. So, in order for me to come up with an answer which is elaborate, it is better for me to answer it either on Tuesday or Wednesday morning. I would have answered this Question tomorrow, but I will not be around. That is why I request my friends to bear with me until next week.

**The Temporary Deputy Speaker** (Dr. Laboso): Mr. Assistant Minister, must it be you to answer these Questions? Do you not have collective responsibility in your Ministry?

*(Applause)*

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): That is a good question, Madam Temporary Deputy Speaker. If you want the Question to be put on the Order Paper for anybody else to come and answer, I have no problem. However, I am saying that I will not be around tomorrow and, may be, we would not have got the answers we are looking for by tomorrow. That is why I am requesting until next week. At least, I know that my colleagues want a good answer. I should not just answer the Question just for the sake of answering. That is why I am requesting until next week.

**The Temporary Deputy Speaker** (Dr. Laboso): I think that is a fair explanation. What is your point of order, Dr. Nuh?

**Dr. Nuh:** On a point of order, Madam Temporary Deputy Speaker. Unless Mr. Ojode is Mr. Emmanuel Chirchir of the Ministry of State for Provincial Administration and Internal Security, I do not think hon. Members will have any problem with any other Minister from the Ministry answering the Question because there are two Assistant Ministers and the able Professor, who is at the helm. I think do not think it is appropriate for Questions by Private Notice, which are of great urgency to spill over to a week later.

**The Temporary Deputy Speaker** (Dr. Laboso): Yes, Mr. Assistant Minister?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Madam Temporary Deputy Speaker, my Minister will be engaged on another duty tomorrow and that is why I requested for the deferment of the Questions. However, I also request my colleagues to bear with us in this problem because we have other engagements which we are attending to. That is why I was requesting for this Question to be answered on Tuesday or Wednesday morning. It is not just this one because we have several Questions which will also come up next week.

**The Temporary Deputy Speaker** (Dr. Laboso): I think the Assistant Minister's explanation is reasonable and we can give him that time. Considering the fact that these are grave matters of people who have been killed, we need him to give us comprehensive answers.

*(Question deferred)*

Therefore, we will move on to Question No.1278 by the Member for Budalangi.

## ORAL ANSWERS TO QUESTIONS

*Question No.1278*

### FINDINGS OF INVESTIGATIONS INTO DRUG TRAFFICKING

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

(a) whether the Government has concluded investigations into the allegations made vide a Ministerial Statement by the Minister on 22nd December, 2010 linking four Members of Parliament and businessman Ali Punjani to drug trafficking;

(b) what the fate of Mr. Ali Punjani is, given that the Minister, in a statement made in the House on 17th February, 2011 provided detailed information in respect of the four MPs but said nothing regarding Mr. Punjani; and,

(c) when the final findings will be released and the eventual conclusion of the matter made.

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

(a) Investigations into allegations of drug trafficking by businessman Ali Punjani have not been concluded owing to the fact that the investigations cover very many areas, both locally and internationally. The earlier report which was presented to the Minister by the investigating team was preliminary and not conclusive. By the time the preliminary report was being submitted to the Minister, the investigators had not completed investigating the allegations. Therefore, there was no adequate evidence linking the businessman to drug trafficking. However, the Anti-Narcotics Unit took over the investigations from the taskforce and is still investigating the cases with a view of unraveling the drug syndicate, both locally and internationally. As at the preliminary report, there was no adequate evidence to link the businessman to drug trafficking.

Drug trafficking is an intricate matter with investigations taking a long time due to the complexities involved. It is considered to be a form of organized crime and its operations transcend the national boundaries, hence investigations take a long time to piece together available evidence to warrant prosecution. Consequently, it is not possible to give a possible timeline when the investigations will be concluded.

**Mr. Namwamba:** Madam Temporary Deputy Speaker, it will be noticed that this matter has been in the public domain, and, indeed, in this House for almost a year now. This is a matter that also touched on the integrity of Members of this honourable House. Could the Assistant Minister give an indication--- He says that the preliminary report indicates that there is no adequate evidence linking this businessman to drug trafficking. The same statement was made in this House regarding the four hon. Members of this House, and the same language was used by the Assistant Minister. Could he give the House an indication as to when these investigations will be concluded, so that the persons affected can conclusively know their fate?

**Mr. Ojode:** Madam Temporary Deputy Speaker, as I have indicated, we only use the report which we get from the police. The report which we had actually exonerated the same Members of Parliament he is talking of; that same report also exonerated the businessman he is talking about – Ali Punjani. As of today, that is the report we are using. There is no concrete evidence to link the businessman to drug trafficking, so far.

**Mrs. Shebesh:** Madam Temporary Deputy Speaker, I want the Assistant Minister to be candid with us. We have been watching of late on the television a lot of expose about how compromised you are as a security agency of this country, how compromised policemen are and how this issue of drug trafficking has become a cartel that cannot be touched. Could the Assistant Minister be honest with us and be candid enough to tell us that after the report that he brought here implicating people in drugs, he was then compromised and, therefore, cannot continue to investigate these matters?

**Mr. Ojode:** Madam Temporary Speaker, you know, if, indeed, we were compromised, then even this preliminary report would not have been given to us. I want to say that we are also investigating what we are seeing on television, and we will come up with an elaborate explanation; those who are involved, I want to assure this House that action will be taken against them; the law is very clear. I do not wish to just issue a blanket statement and say that so-and-so is involved when there is no concrete evidence so far.

**Mr. Duale:** Madam Temporary Deputy Speaker, this Assistant Minister must be very serious in answering Questions here. He says no adequate concrete evidence linking this businessman and these politicians to drugs has been found. The impact on their

image and lives is so grave. If there was no adequate evidence, what prompted his officers to mention them in the preliminary report? I mean, we need to know why he mentioned people. He destroyed their lives, business, careers and families and then he comes and says that he has no evidence linking them to drugs.

**Mr. Ojode:** Madam Temporary Deputy Speaker, you will agree with me that the hon. Member who is asking this question was in the Cabinet at that time. So, he might not be aware that we ordered that investigations be undertaken because of the allegations made by the former US Ambassador, Mr. Ranneberger. Our investigations came as a result of the allegations which were made by Ranneberger. So, it was not a question of just naming people. The report which was submitted by Ranneberger is what---

**Mr. Duale:** On a point of order, Madam Temporary Deputy Speaker. Is the Assistant Minister in order to imply that if today the 200 foreign diplomats in this country say so-and-so is an arms dealer and drug dealer, this Government will come out and investigate and in six months say that we have no concrete evidence? Does he use his intelligence and security network or uses ambassadors like Rannerbeger? Is he in order to tell the nation that?

**Mr. Ojode:** Madam Temporary Deputy Speaker, under ordinary circumstances, there must be a complainant. Once there is a complaint, then we start investigations in ordinary circumstances. The police officers will do whatever they can within their powers to bring all those who are involved in drug trafficking, or in the trade, to book; we will arrest them and take them to court. I want to assure hon. Members that we are not going to leave anybody regardless of his position. As long as you are involved in drugs and human trafficking, and as long as you are doing something which is contrary to the law of this country, we will arrest you.

**Mr. Mwangi:** Madam Temporary Deputy Speaker, while answering the Question at first, the Assistant Minister said that he was relying on the preliminary report; over and over again he has been asked when the concrete report will be available to the House, so that this issue can be dealt with conclusively. Could he inform the House whether he has any timeline as to when he will give this House a final report and action be taken because of the drug menace in this country?

**Mr. Ojode:** Madam Temporary Deputy Speaker, you will also agree with me that there are two cases which are quite intricate – murder and drugs. The reason is because somebody loses his life because of someone. Drugs are more dangerous than any of the things we are talking about. So, it is not something which can be concluded tomorrow; that was why you saw people coming up with names of people who were not even involved. So, we cannot do a shoddy job. Let the police do their job, and when we have some concrete evidence, then I will take action. I will arrest and take them to court.

**Mr. Washiali:** Madam Temporary Deputy Speaker, it is sad that we are getting this kind of response from the Assistant Minister in charge of internal security. We have been having a programme on Kenya Television Network (KTN) called *Jicho Pevu*, which is screened immediately after news. We have seen cases being dealt with on a step by step account of what has been happening, when we lost officers like Erastus Cheromei; we are told exactly what happened to him in a step by step account. Is the Assistant Minister telling us that we now have to wait for *Jicho Pevu* to give us an account of what happened when we heard these allegations?



**Mr. Ojode:** Madam Temporary Deputy Speaker, I am at a loss at what the hon. Member is talking about. *Jicho Pevu* is a programme by people who report whatever they get. I want to confirm to this House that we have constituted a committee, which is investigating whatever the hon. Member is saying.

**Hon. Members:** On a point of order, Madam Temporary Speaker.

**The Temporary Deputy Speaker** (Dr. Laboso): Mr. Assistant Minister, continue making your statement.

**Mr. Ojode:** Madam Temporary Deputy Speaker, I am saying that we have constituted a committee, which is going to investigate what is coming out from the media. If indeed---

**Mr. Shakeel:** On a point of order, Madam Temporary Deputy Speaker. The Assistant Minister says that he has constituted a committee at this moment in time. Over a year ago, he constituted another committee to inquire into the firearms issue in Narok. We are wondering when that committee will formally sit.

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Shakeel, is that a point of order? What was out of order?

**Mr. Ojode:** Madam Temporary Deputy Speaker, Sir, it is a frivolous point of order. But let me say this: You are aware that some stones were thrown in Kisumu and the report which we are going to get will definitely give names. At this point in time, I would not want to speculate and mention that even hon. Shakeel may have been behind the stone throwing. That is why I am waiting for a report.

**Mr. Shakeel:** On a point of order, Madam Temporary Deputy Speaker. Is it in order for the Assistant Minister to impute improper motive?

**The Temporary Deputy Speaker** (Dr. Laboso): Order, hon. Shakeel! Mr. C. Kilonzo!

**Mr. C. Kilonzo:** On a point of order, Madam Temporary Deputy Speaker. The Standing Orders are very clear on relevance. The matter that the Assistant Minister is responding to has not been asked in this House, and he has no business talking about it. Secondly, the Standing Orders are very clear. We are not supposed to refer to what the media is doing out there. Is the Assistant Minister in order to refer to media reports and be irrelevant by addressing an issue that is not before the House?

**Mr. Ojode:** Madam Temporary Deputy Speaker, we are dealing with a very sensitive issue here. We need to be sober when we are talking about drugs. I was just giving an example. We must get concrete reports that so-and-so is involved in drug trafficking, stone throwing and so on. We do not want to speculate. That is what I am basically saying.

**Ms. Karua:** Madam Temporary Deputy Speaker, the drug menace is real. The people of Mombasa and Kenya are crying for help. It is obvious to everybody else except the police. Could the Assistant Minister tell us what he is doing about the police reforms and removing the officers at the Coast - majority of whom have been compromised by the drug cartels - to ensure that the drug menace as well as other crimes are completely brought under control? It is only yesterday that I brought to the attention of this House an incident where a lady and a man were assaulted for merely telling the Prime Minister to curb the drug menace in Mombasa. One of them was assaulted in full view of the police. Is this the Police force that is going to investigate the drugs? Could the Assistant Minister

be real and tell us whether the Government is under the control of drug cartels or it is ready to look after the security of Kenyans?

**Mr. Ojode:** Madam Temporary Deputy Speaker, that is a very good question. I want to assure my colleagues that the Government is in full control. The investigations are going on and we will, definitely, get to the root cause of that problem. Again---

**Dr. Eseli:** On a point of order, Madam Temporary Deputy Speaker. Is the Assistant Minister in order to stand up and tell us that the Government is in control without telling us what it is in control of? Is it in the control of the drug cartels or what?

**Mr. Ojode:** Madam Temporary Deputy Speaker, maybe, the hon. Member was not in the House. I said that we are investigating those who are selling or trafficking in drugs. As at now, the preliminary report which we had tabled here has got all the information. It will not be possible for me to conclude the investigations in the near future. That is because it is something that occurs on a daily basis. So, I would request my colleagues to let the police do their work. I am very sure that the Anti-Narcotics Unit is doing a commendable job and sooner rather than later, we will come up with the names of those who are involved in drugs. I want to assure my colleagues also that those who are involved in drugs---

*(Several hon. Members stood up in their places)*

**The Temporary Deputy Speaker** (Dr. Laboso): Order! Order, hon. Members! Why are you standing when the Assistant Minister is standing? Allow the Assistant Minister to finish his answer.

**Mr. Ojode:** Madam Temporary Deputy Speaker, we are investigating the matter. Once the investigation report is out, I will table it in this House.

**Ms. Karua:** On a point of order, Madam Temporary Deputy Speaker. You have heard the Assistant Minister say that the Anti-Narcotics Unit will investigate. Is he in order to mislead the House while he knows that the same unit and the police have never, to date, put anybody to task over the murder of Chemorei in connection with his work against the drug trade?

**Mr. Ojode:** Madam Temporary Deputy Speaker, we are talking about a very sensitive issue. Do not just think that anybody who is killed is killed as a result of drugs. If there is any information that can let us know that, that particular person was killed as a result of drugs, I am ready to take action even today.

**The Temporary Deputy Speaker** (Dr. Laboso): I think we have ventilated enough on this Question. If you want a Statement, you can demand for it. This is Question Time.

Last question, hon. Namwamba!

**Mr. Namwamba:** Madam Temporary Deputy Speaker, let me thank the Assistant Minister for putting an effort to bring this matter to conclusion. But it is obvious that the manner in which names of Kenyans, including hon. Members, are dropped about casually and connected to some of these things, is done in a manner that is not serious and not based on any investigation, which results in destroying the names and careers of persons, including hon. Members of this House. Could the Assistant Minister tell this House whether, in fact, this whole race against those particular people may have been some kind of red herring while the real drug barons continue to do their business without any

attention at all? Could he also assure this House that the Anti-Narcotics Police Unit can now go after the real culprits? Could the Government be willing to tender an apology to Kenyans whose names they have destroyed on the basis of absolutely no concrete information?

**Mr. Ojode:** Madam Temporary Deputy Speaker, once we get a final report, we will do something about people whose names were adversely mentioned. As at now, we have just released a preliminary report which exonerates those who were adversely mentioned. But let us wait for the final report. That is what will help us.

**Mr. Kioni:** On a point of order, Madam Temporary Deputy Speaker. The Assistant Minister says that there is a preliminary report. Could he table that report for us to go through, before this House takes a position of apologizing to people selectively? This is a bigger issue and you cannot come to the Floor to seek for an apology on behalf of somebody. I think we need to take these issues more seriously than we are doing.

**Mr. Ojode:** Madam Temporary Deputy Speaker, I have mentioned here that there is no need of an apology as at now because we do not know what the final report will reveal. A preliminary report has so far exonerated those whose names were adversely mentioned. But we do not know what the final report will reveal. That is why I said that it is not possible for me to apologize. To whom do we apologize and for what?

**The Temporary Deputy Speaker (Dr. Laboso):** You have been asked whether you can table that preliminary report.

**Mr. Ojode:** Madam Temporary Deputy Speaker, the preliminary report was tabled here by the substantive Minister at that time. At that time, I think the hon. Member was out of the country. You can check from Room 8 and get the report. If he wants, he can get it from me.

**The Temporary Deputy Speaker (Dr. Laboso):** Hon. Members, we had earlier agreed to allow the Minister for Youth Affairs and Sports to answer the Question. We will slightly change the programme and handle Question No.1250 by the Member for Bura!

### *Question No.1250*

#### NON-PAYMENT OF WAGES TO YOUTHS UNDER KKV IN BANGALI

**Dr. Nuh** asked the Minister for Youth Affairs and Sports:-

(a) what the Minister's findings were on the non-payment of youth in Bangali under the *Kazi Kwa Vijana* (KKV) programme in June to July 2010;

(b) what disciplinary measures he has taken against the officer(s) who forged signatures of the youths in the payment sheets purporting to have paid them; and,

(c) why the youth have not been paid and when they will be paid.

**The Minister for Youth Affairs and Sports (Dr. Otuoma):** Madam Temporary Deputy Speaker, thank you for permitting me to answer this Question.

Madam Temporary Deputy Speaker, I beg to reply.

(a) Investigations have revealed that 30 youth from Bangali Location who worked under the KKV Programme in June to July 2010 were not paid their full dues. The total amount of wages due to them was Kshs330, 000 out of which Kshs96, 000 has since been paid to them. Accordingly they are owed Kshs234, 000.

(b) A mechanism to institute disciplinary action against the officer who was involved in the irregularity is already under way. I wish to confirm that action will be taken against the officer in accordance with Section 25(g) of the Civil Service Code of Regulations revised in 2006.

(c) Meanwhile, the necessary arrangements are being made to pay the Kshs234,000 owed to the youth in Bangali Location before the end of November 2011.

**Dr. Nuh:** Madam Temporary Deputy Speaker, I want to thank the Minister for the last assurance that these youth will be paid after close to a year and a half. However, having filed this Question for the first time in March 2011 and it is now almost seven months down the line, why has it taken the Ministry so long to investigate the case to conclusion so that they are able to pay these people?

**Dr. Otuoma:** Madam Temporary Deputy Speaker, it is true that the hon. Member had asked this Question earlier and I stood on the Floor of this House saying that investigations were being carried out to ascertain what exactly happened. It took time for us to reach this conclusion; that truly, the officer was responsible for misappropriating this money. There have been a lot of challenges with the KKV programme. The way the implementation was being done was flawed. It is not just in Bangali, there are so many other places we are having problems in and this is what we have worked on. We have worked on fool proof methods to correct that situation.

**Mr. Kioni:** On a point of order, Madam Temporary Deputy Speaker. On the 30<sup>th</sup> of March this year, the Minister came to this House and provided an answer. The same Question was asked on the 30<sup>th</sup> March and he answered that the amount was Kshs534,000. He said: "Delay in payment was occasioned by transport problems due to poor road network, lack of local suppliers of tree seedlings hence seedlings were procured in small quantities and vastness of the district".

The answer the Minister is providing now is to the point; that an officer misappropriated the funds. Could he clarify which of the two positions is accurate? It is the same Minister who answered and yet he has given us two contradictory positions. Is he in order to mislead the House or keep giving answers that are not consistent?

**Dr. Otuoma:** Madam Temporary Deputy Speaker, this is not contradictory. Indeed, the two answers are complementing each other. Those are some of the bottlenecks that they faced during the implementation of the programme. They were being used as a cover-up for some of these problems of not paying the youth. However, the truth of the matter is that those problems were there. There were challenges that were there. When the answer was given at that time, those challenges were being used to cover up this misappropriation of funds.

**Mr. Wamalwa:** Madam Temporary Deputy Speaker, this matter was before the House recently and it generated a lot of heat. I am happy that the Minister is confirming that funds meant for the youth of this country under the KKV programme got lost. In Bangali alone we are talking of Kshs234,000 but there are many other locations like the Macheo Location in Saboti Constituency where there are youth who did similar work but were never paid.

However, our main concern is that from what the Prime Minister told us and with the challenges you are now admitting the KKV faced, we are having Kshs4.3 billion being returned to the World Bank for restructuring and redesigning of the whole

programme. Is it possible for you to confirm to this House how long this will take and when you can put in place proper safeguards after the restructuring and redesigning?

**Dr. Otuoma:** Madam Temporary Deputy Speaker, as I said earlier, this project is quite a noble project to help the youth of this country. However, it was faced with implementation challenges. If you look at it, a lot of this money was lost on the ground. This money had already been disbursed out there. One of the flaws that I noted when I came in was this issue of paying people cash over the counter. People were just coming up with books and signing. So, one of the first recommendations we made is that the payment must be traceable. We must have some documents that we can trace back. That is why we are saying that these people must be paid through some financial institution of some kind, so that there is some form of identification, instead of just paying from the District Treasury and people just sit down and write names.

**Ms. Karua:** Madam Temporary Deputy Speaker, the issue of payment of arrears under the KKV programme is a countrywide problem. It is not only in Bura. Has the Minister taken stock of the number of youths still unpaid countrywide? If he has not, when will he do that and table it in this House? How can he say he is waiting to pay by the end of this month when in the same programme, there has been double payment of salaries of top officers as revealed in this House recently?

**Dr. Otuoma:** Madam Temporary Deputy Speaker, we could be talking about different issues because this Question was specific to Bangali area. A specific officer has been identified and according to the rules and regulations for the Civil Service, the investigations done have made recommendations that this officer should be surcharged because truly, he forged the signatures. He purported to have paid money through the leaders of these youth and not the youth themselves directly. So, he is being charged according to the investigations that were done. However, as I said, the implementation mechanism was not fool-proof and this is where the problem was. Many recommendations have been made on how we can make this programme fool-proof so that it really benefits the youth for whom it is meant.

If there is a problem with the design, sometimes changing it takes time. We need to change it and that is what I have recommended since I came to this Ministry.

I think from the Question that the hon. Member has asked, it will be very important for us to look at the stock that was taken, that made me come to the conclusion that there is a problem with the design of this project. I will try and see if I can extract that from the report. If it has not been done conclusively, then we need to do it as part of supporting the measures that we need to put in place.

**The Temporary Deputy Speaker (Dr. Laboso):** When will you table that report!

**Dr. Otuoma:** Madam Temporary Deputy Speaker, may be in a month's time.

**Mr. Pesa:** Madam Temporary Deputy Speaker, in part "b" of this Question the hon. Member states very clearly---

*(Loud consultations)*

**The Temporary Deputy Speaker (Dr. Laboso):** Order, hon. Members! Reduce your level of consultations.

**Mr. Pesa:** Madam Temporary Deputy Speaker, the Minister consents that there is forgery involved. Up to this time, the Minister is saying that they are following the right

system in the public service. I believe since this man has been identified as having forged, the first step in disciplinary matters in the public services is to be interdicted, so that we know that you are taking the right line of action.

**Dr. Otuoma:** Madam Temporary Deputy Speaker, I quoted Section G25 of the Civil Service Code of Regulations – the book is available here for the hon. Member to peruse – which clearly gives guidelines on what we can surcharge to recover the money. Notwithstanding that, the criminal investigations can still continue; those two issues can continue side by side.

**Mr. Lessonet:** Madam Temporary Deputy Speaker, the Minister, in March this year, read the same statement he has read today, talking about a comprehensive audit. It is now eight months since then. He is continuing to mislead this House about that audit. From March until today is such a long time. Is he suggesting that from March to date, they have not completed that audit?

**Dr. Otuoma:** Madam Temporary Deputy Speaker, I think that question was asked and I said in relationship to this specific question on Bangali; investigations were carried out, the officer has been surcharged according to the regulations, and that is why I carried this book here. Therefore, the rest of the procedures should just take place, otherwise action has already been taken. The investigations were undertaken and recommendations given; that this fellow forged signatures and this is what I have told the House.

**Mr. Pesa:** On a point of order, Madam Temporary Deputy Speaker. What we are talking about is very important for the youth; while I do not want to contradict the Minister, the signal the Government is sending to this country may not be very good for the youth of this country. Once you identify that somebody has forged a signature and he still continues in the office, what signal are you sending to Kenyans who want to steal?

**Dr. Otuoma:** Madam Temporary Deputy Speaker, you know this country is ruled by the rule of law; we have laws in this country. I am just saying that there is a code of regulations which clearly stipulates that if a civil servant has misappropriated public funds, then he is personally surcharged. Once he is surcharged, that does not exonerate him from criminal investigations or stop criminal charges against him. If he has a salary or any savings, that money must be recovered; this is because the money belongs to the public. That is what is clearly stated.

**Dr. Monda:** Madam Temporary Deputy Speaker, the Minister has confirmed that in *Kazi Kwa Vijana* (KKV) youth funds were lost in the hands of civil servants. What has the Minister done to give back to Kenyans the actual money from KKV funds all over the country, so that he is able to guide the House? He should tell us how much money was lost, and this was the Question to the Prime Minister. How much money has been lost in this country from the KKV funds?

**Dr. Otuoma:** Madam Temporary Deputy Speaker, I think, again, that was what asked by Ms. Karua and we promised that, at least, within a month's time we should table a report here.

*(Several hon. Members stood up in their places)*

**The Temporary Deputy Speaker** (Dr. Laboso): Last question, Dr. Nuh. Hon. Members I think we have ventilated enough on this Question.,

**Dr. Nuh:** Madam Temporary Deputy Speaker, I want to thank the Minister for, at least, finally assuring me that these youths will be paid. It has been an agonizing one year and a half for the youths who have been waiting for payment for work they have done well. Since he has now promised that before the end of the month they should expect their dues – we expect the KKV programme to continue – have they, as a Ministry, tried to seal the loopholes that have been created by this system to ensure that such things do not happen again?

**Dr. Otuoma:** Madam Temporary Deputy Speaker, I think if my memory serves me right, we had a Kamukunji here with hon. Members and they recommended – I remember Prof. Olweny was there – some of the measures that we need to put in place. I concurred with them that if all the stakeholders involved - this is not the Ministry of Youth Affairs and Sports alone - adhere to the measures which were recommended by hon. Members, I am very confident that this programme will benefit the youth of this country.

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Members, we will now go back to our original Order; I, therefore, call upon Mr. Bahari.

*Question No.766*

IMPACT OF LAWS ENACTED BY EALA

**Mr. Bahari** asked the Minister for East African Community:-

- (a) which laws passed by the East African Legislative Assembly (EALA) so far directly impact on Kenya;
- (b) how the Kenya National Assembly and the public have been educated on the implications of such laws; and,
- (c) what the progress has been on the implementation of the East African Common Market Treaty and how the treaty has benefitted the Kenyan economy so far.

**The Assistant Minister for East African Community** (Mr. Munya): Madam Temporary Deputy Speaker, I beg to reply.

(a) The following laws have been passed by EALA and have some impact on the economy of Kenya.

(i) The East African Standardization Quality Assurance, Metrology and Testing Act, 2006, whose import is to standardize goods produced in the East African region, and whose impact has been to improve the quality of goods that are circulating in the East African market.

(ii) The Inter-Universities Council for East Africa Act, 2008 whose impact is to also promote standards in higher education, common standards in the management of higher education in East Africa. This is the Act that establishes the Inter-Universities Council for East Africa, whose work is to promote common standards in higher education in East Africa.

(iii) The EAC Joint Trade Negotiations Act, 2007 that requires the East African countries to negotiate trade pacts jointly, so that they get similar terms from whichever country they negotiate with. For instance, this is the Act that is now being used to negotiate the Economic Partnership Agreements (EPAs) with the European

Union; it is also the same Act that is being used to negotiate a free trade area between the EAC, the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).

(iv) The East African Civil Aviation, Safety and Security Oversight Agency (CASSOA), which creates that agency that is intended to promote air safety in the East African region.

(v) The other Act which has been passed but not yet assented to by all the partner states is the East African Competition Act, 2006, whose purpose is to promote rules of competition in East Africa. This law is not yet operational because certain member states have not domesticated it into their domestic regimes for it to start Operating.

(vi) The Lake Victoria Transport Management Act, 2007, whose import is to promote and regulate maritime safety in the Lake Victoria basin.

(b) The Ministry has carried out several seminars under the auspices of The Speaker's Roundtable to sensitize hon. Members on the East African Common Market and the East African Federation. We have already carried out two seminars with Members of this House; one was held in Nairobi and the other was in Mombasa. We have also done sensitization across the country and we have been able to cover half of the counties in sensitizing the members of the public on the common market and the East African integration. In our next programme, we intend to cover the rest of the counties that were not covered in the first phase of this sensitization programme on the East African integration.

(c) The common market was formally launched and it came into effect in this region. We are now operating under a common market, but we have certain key issues that have not yet been sorted out to make the common market fully functional.

One of the key issues is the domestication of the common market in terms of amending laws within the partner States that do not conform to the common market protocol. In Kenya, we have already done the legislations that are intended to bring our domestic legal regime in conformity with the common market.

This omnibus legislation is now in the Attorney-General's Chambers. It is going through vetting by the Attorney-General before it is brought into this House for purposes of being passed. The other countries are also doing the same. Rwanda has actually passed their legislation. However, the rest of the countries are yet to do it.

Madam Temporary Deputy Speaker, some of the other things we have already done to implement the common market is that Kenya specifically has waived work permits for East Africans who may want to work in Kenya. Rwanda has also done the same. So, Rwandans and Kenyans who may want to work in Rwanda or in Kenya are free to work here without any payment of work permits. The rest of the East African countries are yet to do the same. But they are also in the process of doing the same.

Madam Temporary Deputy Speaker, it is important to observe that the common market is supposed to be implemented progressively. It is not supposed to come into effect immediately for all the aspects of the common market. It is a progressive exercise; that is why we are taking it in a phased approach.

The first stage which is already in operation is free movement of goods. Now goods produced in East Africa can move with ease, transported and sold everywhere in East Africa without any problem. We have already implemented that phase. Free



movement of persons is also in the process of being implemented. Academics, accountants, professionals will soon be free to work anywhere in East Africa without any hindrances.

The other stage is free movement of capital; we are yet to come to that stage. However, we are already in the process of negotiating the common monetary union that will usher in some of those aspects of free movement of capital between the East African countries.

**Mr. Bahari:** Madam Temporary Deputy Speaker, this Assistant Minister is normally a very straightforward person. Today, I do not know why he has taken too long to answer this simple Question, given that he also participates in these negotiations. He is a member of EALA on behalf of the Ministry.

But having said that, this Question is No.766 and you can see that I asked it a long time ago. Most of these workshops were held after I had asked this Question.

Coming to the point, I find the manner in which this Question has been attended to a little bit casual. In part (c) of my Question I asked: What has been the progress in the implementation of the East African Common Market Treaty and how has the treaty benefited the Kenyan economy so far? In the answer, the Assistant Minister says there has been reduction of bureaucratic procedures and non-tariff barriers and that the realization is progressive. I want to ask about that progress now. Could he quantify, in terms of trade volumes, how Kenya has actually benefited from this treaty? He is trying to evade answering this Question.

**Mr. Munya:** Madam Temporary Deputy Speaker, I have not answered the Question in a casual manner. The hon. Member has asked quite a very detailed Question that would require a lot of time to cover many of the aspects he has asked for. So, it is not fair to say that we have given it a casual approach.

Madam Temporary Deputy Speaker, what I said from the very beginning is that the Common Market was formally launched, but the actual implementation has not completely taken place. So, that really, to assess the impact at this very early stage in terms of volumes of trade, would not be giving the Common Market the justice that it requires.

There may be other reasons why the trade in East Africa has been growing other than the implementation of the Common Market. This is because very little has been done in terms of implementing the Common Market. But if he is talking about how the Customs Union has contributed to trade volumes, then I can give the statistics of those trade volumes later. I can bring them here.

But the trade volumes have been due to the customs union, not the Common Market. Those are two different things. As I said from the very beginning, we have not yet fully implemented the Common Market because we have to change our own domestic legal regimes to conform to the Common Market Protocol. If we do so, the Common Market Protocol can now come fully into operation.

**Mr. Njuguna:** Madam Temporary Deputy Speaker, could the Assistant Minister indicate or inform this House what efforts have been made to remove the current trade barriers affecting trade between the partner States? We have noted trucks taking goods to the rest of the East African regions are not getting faster clearance on the border points.

**Mr. Munya:** Madam Temporary Deputy Speaker, it is true that there are certain non-tariff barriers that make it difficult for trade to flourish in the East African region.

Some of the non-tariff barriers are transport barriers, especially erected by security agencies like the police, that make it difficult for trucks to be cleared quickly---

*(Loud consultations)*

**The Temporary Deputy Speaker** (Dr. Laboso): Order, hon. Members! Could you, please, lower the level of consultation? We can hardly hear what the Assistant Minister is telling us.

Proceed, Mr. Assistant Minister.

**Mr. Munya:** Madam Temporary Deputy Speaker, the level of consultation in the House tells you how disinterested this House is in issues of the East African region. This House has become very inward looking and that is why we even pass constitutions that contradict treaties that we have even ourselves assented to. That is why you can see very little interest.

Madam Temporary Deputy Speaker, what I was saying is that we are putting in place mechanisms to deal with non-tariff barriers that have been hindering trade and, currently, we are negotiating to come up with an enforcement mechanism that will sanction member states that put barriers to trade because, already, the law is very clear that we are supposed to have free movement of goods within East Africa. But partner states put all sorts of barriers, including non-tariff barriers like the police road blocks that make it difficult for trade to flourish.

Right now, we are negotiating an instrument that will make it illegal for those barriers to be there and also that will make partner states which violate them to be sanctioned to pay penalties for those barriers.

Secondly, we are also starting what we are calling one-stop border post that will allow goods to be cleared from one side without going through clearance twice at the border places. When the goods are coming from Kenya they are cleared on the side of Kenya and then they are able to move without further clearance across the border. We are calling them one-stop border posts. They will enhance trade and make it easy to clear goods and even to clear people traveling at the border posts.

**Dr. Eseli:** Madam Temporary Deputy Speaker, now that in the East African Legislative Assembly (EALA), the debate is on, on a Bill related to plastics and given that the Kenyan industrialists have invested heavily in plastic industries, what pre-emptive action is the Ministry taking to make sure that when that Bill becomes law, it does not impact so negatively on the plastics industries in this country which will lead to loss of investments and large numbers of people losing their jobs in the plastics industry?

Assistant Minister, you could keep it brief. I know you do not answer Question frequently and so, you tend to be wordy now that this is a chance for you to talk.

**Mr. Munya:** Madam Temporary Deputy Speaker, it is true there is a pending Bill that is going to be debated this month in Bujumbura that is intended to control polythene materials and not plastics. The Ministry of Industrialization and the Ministry of East African Community are already working together to come up with a common position on---

**Dr. Eseli:** On a point of order, Madam Temporary Deputy Speaker. Is the Assistant Minister in order to imply that polythene is not related to plastics industry, yet that is still part of the plastics industry?

**Mr. Munya:** Madam Temporary Deputy Speaker, the Member is too eager to respond. I am not out of order. He is jumping the gun before I explain what I am talking about. The Bill is intended to control certain aspects of plastics that are called polythene. It is not intended to control or ban all plastics trade or use in East Africa. It is targeting polythenes that are harmful to the environment. The Ministries that are involved in Kenya are already in consultation to come up with a common position that we will take to EALA in Bujumbura.

So far, we have not decided because we are still consulting on what position to take because we need to deal with harmful environmental aspects of polythenes, but at the same time, we do not want to also disrupt our industries that are involved in that sector. We want to come up with a compromise position that will lead to the protection of the environment, but at the same time, not hurt key industries in the country. We might eventually agree to put a certain limit to the level of the thin polythene papers that we can produce. We can allow the ones that are very harmful to the environment to be banned, but the ones that are not very harmful and can be re-cycled can still be produced. We are still working on a common position.

**Mr. Bahari:** Madam Temporary Deputy Speaker, you can see that some of these Acts were passed in 2006/2007 yet Parliament was briefed through round tables far much later. In future, could the Assistant Minister undertake to bring the reports or Acts of Parliament to this House for debate or information before it is too late?

**Mr. Munya:** Madam Temporary Deputy Speaker, under the East African Community Treaty, it is the Clerk of the EALA who is supposed to transmit East African legislations or Acts of Parliament to the Clerks of the partner States. It is the Treaty that provides that. It is not the Minister who is supposed to do that. All the legislations are supposed to be transmitted directly from the EALA by the Clerk of the EALA to the Clerks of the National Assemblies. My responsibility is sensitization and education which we have been undertaking.

**Ms. Karua:** On a point of order, Madam Temporary Deputy Speaker. What the Assistant Minister has said is true, but is he in order to avoid one responsibility that when the Clerk fails to transmit, it is the duty of the Minister, as the one in charge of the East African Co-operation to follow up with the Clerk and ensure that the Clerk's duty to this Assembly is done? Is he in order?

**Mr. Munya:** Madam Temporary Deputy Speaker, I do not know what I am out of order of. I have only explained what the Treaty provides. I have said what my mandate is and I have been undertaking my mandate. That is why we have held several workshops with this Assembly to educate the Members on what is happening in East Africa. The rest is a formal process that happens whenever legislation is passed. It is always transmitted to the Clerk. It is the responsibility of the Members not to just sit around, but to go to the library and read those Acts because they are already there. Every time a law is passed and assented to, it is brought here. So, it is the responsibility of the Members to study those laws, comment on them and do whatever they want to do with them. They are already here. I cannot question until the Clerk has failed, but he has not failed.

*Question No.964*

ENFORCEMENT OF SECTION 53 OF EMPLOYMENT ACT

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Millie Odhiambo is not in!  
The Question is dropped!

*(Question dropped)*

*Question No.1014*

NUMBER AND CAPACITY OF AIR AMBULANCES IN KENYA

**Mr. Mututho** asked the Minister for Medical Services:-

(a) how many operational air ambulances are in Kenya and whether he could indicate their respective owners, capacity and the evacuation equipment in them; and,

(b) how many helicopters the Ministry has in comparison to the Kenya Wildlife Services (KWS), the Kenya Police, the Kenya Army, Kenya Pipeline and private individuals who lease them for emergency and medical evacuation.

**The Assistant Minister for Medical Services** (Mr. Kambi): Madam Temporary Deputy Speaker, I beg to reply.

(a) There are four operational air ambulances in Kenya whose capacity and respective owners are as follows:-

(i) Cessna 551 Citation Bravo with a capacity of two stretchers and is owned by AMREF.

(ii) Cessna 207 B Grand Caravan with a capacity of four stretchers and is owned by AMREF.

(iii) Beechcraft Super King Air/B200 with a capacity of one stretcher and is owned by AMREF.

Evacuation equipment is stored in flight paths, so that medical supplies may be used on the ground in ambulances and during rescue flights. Packs carried on aircraft vary depending case reports. The items contained in the packs include the following:-

(i) Cardiac monitor, recorder and defibrillator, ventilators, drudge oxiloge 2000, oxiloge 3000, simensavo 300, pulse oximeter, automated sphygmomanometre or cass medical systems, automatic suction units or radial standard, scoop stretchers and full body size vacuum mattresses, slow infusion pumps, endotracheal intubation equipment, chest drainage equipment, traction splints and neck collars, kedwick extrication devise, neonatal transport incubator, paediatric and neonatal resuscitation equipment, paediatric blow slow tape and bag, oxygen masks with non-rebreather reservoirs, airways and nasal cannulae, intravenous fluids, start-hand held laboratory, current ACLS medications and snake anti-venom. All medical supplies are disposal.

(b) It is important to note that these aircrafts are also used to fly medical personnel for specialized surgical outreach missions. When in use for such missions, the aircrafts are equipped differently. However, the Government has a helicopter ambulance model Eurocopter BQ 105 donated by the German Government for use by the Kenyatta National Hospital in 1992. The ambulance can carry two patients on stretchers and two medical personnel in addition to the pilot. After donation, it was placed with the Kenya

Police air wings because the Kenyatta National Hospital did not have the capacity to operate it. It became grounded due to mechanical problems after flying 600 hours. It is currently packed at the hangar of the Kenya Police Air Wing at the Wilson Airport.

The ambulance has the following medical equipment: Two stretchers, oxygen supply, respirator and reversible passenger seat to enable the monitoring of patients. In addition, parts of the medical supplies can be carried on board as necessary. The Ministry of Medical Services owns one serviceable helicopter, Eurocopter air ambulance model BQ 105 CBS placed with Kenya Air Wings. It is currently grounded due to problems and operational limitations.

**Mr. Ochieng:** On a point of order, Madam Temporary Deputy Speaker. Since the Assistant Minister was just coming to conclude the portion that was not very clear to the Questioner, is it in order for him to continue reading a long statement instead of answering the question?

**The Temporary Deputy Speaker (Dr. Laboso):** It is not a new Question, Assistant Minister!

**Mr. Kambi:** Madam Temporary Deputy Speaker, the Ministry has made a proposal to the Cabinet to purchase not only one ambulance but, at least, 47 air ambulances which will be spread in the 47 counties. It is our wish that the Cabinet will approve it. Then it will come to the House. So, I will be seeking the approval of my colleagues so that we can sort out this problem once and for all.

Further, we have made proposals to start an ambulance parastatal to deal with those services. We have targeted ground, air and water ambulance services.

**Mr. Mututho:** I thank the Assistant Minister for the last part of the answer. He has said that, indeed, they have done a Cabinet proposal to have 47 air ambulances. In the same plan, have you made a proposal so that you can have a fire lane? That is because even if a patient is brought by air or flown to Wilson Airport and the traffic jam persists like in other countries, you will still have to lose that patient. There is one person who passed away from Athi River, where it took two hours to travel. It was a cardiac case and the patient could have been saved. Have you made a proposal to do the same? More importantly, has the Assistant Minister started recruiting or training pilots or any personnel who will be involved in the operations of air ambulances? Have you acquired the space at airports where you will park your helicopters and air ambulances?

**Mr. Kambi:** Madam Temporary Deputy Speaker, we have made proposals to, at least, buy the 47 air ambulances to cater for all the counties. Those helicopters are supposed to land on a helipad. It is also in the proposal that each and every referral hospital should have a landing pad.

**Ms. Karua:** Madam Temporary Deputy Speaker, it is good to hear that the Ministry has that exotic proposal of buying 47 air ambulances. Do they equally have a proposal to upgrade the medical facilities in each county so that there is no need of evacuating patients outside each county?

**Mr. Kambi:** Yes, Madam Temporary Deputy Speaker, we have done that. If you look at our new Constitution, health is a right. Since we are going to have a devolved Government, it is our duty as a Ministry to ensure that all referral hospitals in the counties have health facilities.

**Mr. Shakeel:** Madam Temporary Deputy Speaker, the Assistant Minister has mentioned a helicopter that was donated in 1992. He went on to say that after 600 hours,

that helicopter was grounded. Is he able to tell us whether the helicopter donated to us was sound and airworthy at the time it was donated?

**Mr. Kambi:** Madam Temporary Deputy Speaker, at the time when the helicopter was donated, it was in sound condition. We gave it to the Kenya Police Wing to use it as we did not have the capacity to run it. As we are talking now, it needs about Kshs20 million for the engine to be overhauled. We have put that amount into the financial proposals for next year so that, once it is approved by Parliament, we can repair the helicopter as a start.

**Mr. Mututho:** Madam Temporary Deputy Speaker, I have difficulties in that issue of air ambulance which has been grounded at the police Air Wing, and now requires the same Ministry, which has not been using it for the last 19 years, to use Kshs20 million. Why did you not have that ambulance domiciled to AMREF who seem to have the capacity to do the air ambulances, instead of the Kenya Police? AMREF can maintain it for you and keep it operational. Why do you want to commit public funds to what appears to be a non-rated issue?

**Mr. Kambi:** Madam Temporary Deputy Speaker, the helicopter was donated to the Government. It cannot be leased or given to a private owner. It was donated to the Ministry of Medical Services, particularly Kenyatta National Hospital (KNH).

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Members, regarding the matter of the previous Question by Mrs. Odhiambo-Mabona, you remember that it was dropped. But upon further clarification, it has come to my notice that the Ministry had actually written to the hon. Member to say that they needed one month to be able to execute the Question properly. Therefore, it is our own mistake. This Question really ought not to have been on the Order Paper.

Next Question!

*Question No.1029*

OWNERS/DIRECTORS OF ZONAL HOLDINGS INVESTMENT COMPANY

**Ms. Karua** asked the Attorney-General:-

(a) whether he is aware that the Government froze the assets of Zonal Holdings and Credit Investment Company Limited in 2001 after complaints by members of the public through Parliament that the said company had collected varying sums of money from them but failed to keep its promise;

(b) whether he could tell the House who the owners/directors of the company are and what the findings of the investigations of the case were; and,

(c) what the value of the frozen assets is and when the depositors will be paid their money.

**The Temporary Deputy Speaker** (Dr. Laboso): Is the Attorney-General not here?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Madam Temporary Deputy Speaker, it looks like the Attorney-General is unable to appear in the morning session. So, I would request that we

defer this Question to tomorrow afternoon. In the meantime, I am going to look for him to come and answer it.

**Ms. Karua:** I have no problem, Madam Temporary Deputy Speaker. I hope that this will not compromise another Question of mine which is also slated for tomorrow. So, if you could weigh that, then I would agree.

**The Temporary Deputy Speaker (Dr. Laboso):** Hon. Member, I am sure you are aware that one hon. Member cannot have two Questions on the same day, but that will be sorted out administratively.

Next Question, Mr. Chepkitony!

*Question No.1178*

INTEGRATION OF ECD IN PRIMARY SCHOOLS MANAGEMENT

**Mr. Chepkitony** asked the Minister for Education:-

(a) what plans the Ministry has to take over the running of Early Childhood Development (ECD) and integrate it in the primary schools management; and,

(b) how much it will cost to implement the programme.

**The Assistant Minister for Education (Prof. Olweny):** Madam Temporary Deputy Speaker, Sir, I beg to reply.

(a) Sessional Paper No.1 of 2005 on Policy Framework for Education, Training and Research affirms the Government's commitment to integrated Early Childhood Development Education (ECDE) into the basic education cycle. In fulfilling that noble commitment, the Ministry of Education has undertaken the following steps:-

(i) Develop ECDE policy framework and services standard guidelines to support the sub-sector.

(ii) Develop a scheme of service for ECDE teachers which is still in draft form.

(iii) Continues to train teachers at both certificate and diploma levels for the objective of improving the delivery of quality education at ECDE level.

(vi) Disburse community support grants to ECDE centres for the purpose of enhancing the capacity of parents and communities to develop and sustain the quality and access to ECDE services.

(vii) Conduct community and stakeholder mobilization and capacity building to enable them mobilize resources and manage their ECDE facilities well.

(viii) Carry out school readiness programme which aims to prepare children who never attended ECD classes to transit to Class One.

(b) The total cost required for mainstreaming ECDE as part of basic education is Kshs3.968 billion. The breakdown is as follows: Salaries for 20,300 teachers - we have proposed to hire 300 teachers, that is, one teacher per ECD centre and this gives us a total of Kshs2.03 billion per year; capitation grant of Kshs1,020 per child for enrolment of 1.9 million children making a total of Kshs1.938 billion.

The Minister has requested for funds from the Treasury for the implementation of the programme and is still awaiting the communication.

**Mr. Chepkitony:** Madam Temporary Deputy Speaker, I would like to thank the Assistant Minister for the answer. The Ministry promised in this House, sometime in

2005, that it was going to take over the running of the ECD in 2009. However, it has not yet done so. He has mentioned the amount of money required for paying the teachers and also the capitation grant. Why can he not start with the payment of teachers so that the capitation grant waits and it could be implemented in phases? The Treasury may not have all the money. Why could he not start with the recruitment of teachers while the capitation grant waits?

**Prof. Olweny:** Madam Temporary Deputy Speaker, we shall spend the funds given to the Ministry by the Treasury as per the Votes in the budget. During the last budget that we presented here, we included all these things. I even tabled documents pertaining to our budget here, but we got no money. However, so far, the amount given to my Ministry for ECD this financial year is Kshs320 million. This is the money my Ministry will give to the communities as Community Support Grant. We have proposed to the communities that this money be used to employ teachers and that will be ten teachers per constituency. That is the proposal we have made and it will be rolled out in January, 2012.

**Mr. Mbadi:** Madam Temporary Deputy Speaker, I am sure that the Assistant Minister is aware that Article 53(1) (b) of the Constitution guarantees the children of Kenya free and compulsory basic education. There is no basic education more than ECD. Why is it that the Government is discriminating against the very young children and only concentrating on primary school children? If you have little funds, why does he not start with the young ones? Why does he not provide education to the young ones first because that is the most basic education that one can ever think of?

**Prof. Olweny:** Madam Temporary Deputy Speaker, I am very much aware of what the Constitution says and we are all party to it. I am very much aware of what it says relating to education. However, I have said that we presented our budget here. These Members helped my Ministry push our proposals for the budget, but it failed. I just wish to repeat, if we get the money, we shall roll it out because we know ECD is very important and essential to our children.

**Mr. Mbadi:** On a point of order, Madam Temporary Deputy Speaker. My question was very specific. The funds that the Ministry got, why did he not allocate that first to the ECD? Why do they consider primary schools and leave out the very young children yet the most basic education is the ECD?

**Prof. Olweny:** Madam Temporary Deputy Speaker, I hope the hon. Member knows that the budgetary estimates are represented in Parliament and they go according to the line items. That line item that the Treasury gives us money for is what we will spend money on. We cannot spend money on what the Treasury has not given us money to spend. That is the way it is.

**Mr. Letimalo:** Madam Temporary Deputy Speaker, I would like the Assistant Minister to explain. As we wait to get allocation from the Treasury, what preparations has he put in place to ensure that ECD classes are established in all areas, particularly in the ASAL areas where illiteracy levels are still high?

**Prof. Olweny:** Madam Temporary Deputy Speaker, as a matter of fact, ECD centres are almost everywhere across the country. In fact, they are linked to primary schools. However, for the case of ASAL areas, there are very limited ECD centres. That is true. That is why we carry out school readiness programme which allows the children who have never been to ECD to be ready to join Class I. We do that in the month of



August, so that the children in ASAL areas who have not been exposed to ECD facilities can join Class I with comfort.

**Mr. Chepkitony:** Madam Temporary Deputy Speaker, could the Assistant Minister tell us how he intends to recruit the ten teachers per constituency. What criteria will he use because they are too few for a constituency?

**Prof. Olweny:** Madam Temporary Deputy Speaker, we know they are too few. Even for me as a Member of Parliament for Muhoroni, I do not know how it will be done. However, the way forward is this: Our officers on the ground will do it in conjunction with the leadership. The leadership here includes Members of Parliament who sit on the District Education Boards (DEBs). Hon. Members will help us in rolling this out early next year.

*Question No.1269*

DROUGHT INTERVENTION MEASURES IN ASALS

**Mr. Duale** asked the Minister for Water and Irrigation:-

(a) what drought intervention measures the Ministry has taken in the drought-stricken ASAL areas since May 2011;

(b) if he could provide a list of all the water projects started under the drought intervention programme in the ASAL constituencies; and

(c) how much money was spent in the respective intervention measures.

Madam Temporary Deputy Speaker, the Minister is busy!

*(Mrs. Ngilu consulted Mr. Gumo)*

**The Temporary Deputy Speaker** (Dr. Laboso): Minister for Water and Irrigation!

**The Minister for Water and Irrigation** (Mrs. Ngilu): Madam Temporary Deputy Speaker, I am sorry.

However, I beg to reply.

(a) My Ministry has taken the following measures to mitigate the effects of drought in ASAL areas since May, 2011: 152 boreholes have been repaired; 21 capt boreholes have been equipped; 13 boreholes have been drilled and equipped; 242 community water schemes have been given fuel subsidy; served 996 water tracking centres using 53 Government of Kenya hired tanks and tankers; we have hired 37 water tankers, 426 plastic and collapsible tanks have been distributed; 90 rural water schemes have been rehabilitated and extended; 100,000 taps distributed to disinfect water at household levels. These measures are detailed in Annex A which I have already given to the Clerks and the hon. Member.

(b) My Ministry has since May, 2011, implemented 61 projects as intervention measures in ASAL areas under the current Drought Intervention Programme. These are also detailed in Annex B, which we have shared.

(c) My Ministry has spent Kshs584.5 million on rehabilitation of boreholes, water tracking and fuel subsidy; Kshs126,300 on drilling and equipping of boreholes and

Kshs164,596,947 on construction and de-silting of small dams and pans as detailed in “a” and “b” above.

Thank you, Madam Temporary Deputy Speaker.

**Mr. Duale:** Thank you, Madam Temporary Deputy Speaker. I want to thank the Minister for showing that this huge amount of money has been spent on mitigation.

Madam Temporary Deputy Speaker, this Question is very specific in terms of the breakdown and I have no problem with this. However, the Minister has given us the list as per the counties and it becomes very difficult for me to interrogate and see whether this amount of work has been done in Garissa, Wajir and Mandera. What specific work has been done in Dujis, Lagdera, Fafi and so on?

Madam Temporary Deputy Speaker, last week, the Deputy Speaker, who was on the Chair gave direction that the Minister – by then her colleague – was to come back and give specific constituency-based projects and mitigation measures in all the ASAL districts.

Madam Temporary Deputy Speaker, I need your guidance. The Minister has a very adequate answer but it becomes very difficult for me and my colleagues in this House to interrogate it because it has been lumped together in a county system.

*(The Clerk-at-the-Table consulted with the Chair)*

**Mr. Temporary Deputy Speaker** (Dr. Laboso): Madam Minister, according to the information provided, you were supposed to do it constituency by constituency and not by county or province. Are you in a position to get the information on the basis of constituencies? Are you in a position to do that?

**Mrs. Ngilu:** Madam Temporary Deputy Speaker, I am in a position but what I have shared with hon. Members is that these counties represent constituencies. We have been saying that this is the amount of money we have put in the ASAL counties. We take this money to the District Water Officers with specific instructions on where they will do the work. The hon. Member knows what we have been doing and how much work has been done in each constituency. You can look at Annex B, which I have shared with you. If you look at Annex A, for instance – and you have it in your hands – you will find that the region is North Eastern and I have told you about the counties. I have also told you where we did which activity. For example, you know in your constituencies how many collapsible tanks we have given you. I have shared this very well in your constituencies.

I really think Madam Temporary Deputy Speaker that all hon. Members, especially from the ASAL areas have been served very well by my Ministry. I have shared this information with the hon. Member. I have the list and I can also share it with him.

**Mr. Duale:** On a point of order, Madam Temporary Deputy Speaker. I have said that we have no issue with the county. We represent constituencies. We want to confirm to the Minister and to the Government whether 58 plastic collapsible water tanks were distributed in this county in my constituency.

Madam Temporary Deputy Speaker, I want to say it here that there was no plastic tank delivered in my constituency. That is why – through your guidance – we agreed that out of all these projects, we know how many went to Dujis, Fafi, how many went to Dr. Nuh and Mr. Chachu’s constituencies. Is the Minister in order to say that I can interrogate

and see what was given to Garissa County, Wajir and north eastern and what went to Dujis? Is the Minister in order to allude to that fact?

*(Several hon. Members stood up in their places)*

**Mr. Temporary Deputy Speaker** (Dr. Laboso): Order, hon. Members! Allow the Minister to first respond!

What is your point of order, Dr. Nuh?

**Dr. Nuh:** Madam Temporary Deputy Speaker, this Question appeared on the Order Paper last week. With the indulgence of the Chair, we sought that the information that had been bulked together was very hard for hon. Members to interrogate. For instance, in Coast Province, we have been lumped together with Tana River, Kilifi, Kwale and Taita Taveta, and the Ministry has given the interventions taken in Coast as a region. So, it becomes hard for us to follow. This will be to the help of the Minister because sometimes they disburse money which is misappropriated or misapplied to the different zones that they were allocated to by the officers down there. So, the only way we can be able to be of help to the Ministry and also be able to interrogate the Question is if we are, at least, given the specific interventions which were done in each constituency. That way, we are also able to advise the Minister that this really happened or this did not happen. Through the guidance of the Chair, the Ministry was directed that his Question be broken down so that hon. Members can be able to access the specific interventions taken in specific constituencies.

*(Several hon. Members stood up in their places)*

**Mr. Temporary Deputy Speaker** (Dr. Laboso): Madam Minister, allow the points of order so that you answer all of them at once.

**Mr. Bahari:** Thank you, Madam Temporary Deputy Speaker. I do agree with the Members that it is important to have the details because they say that the devil is in the details. This is meant to help even the Minister to confirm for herself that what she is being told is correct. So, I request that the Minister provides the information the way it has been requested. This is because the way it is now, it is lumped together and it will not be of any use to us, or it will be of less use to us.

Thank you, Madam Temporary Deputy Speaker.

**Mr. Chachu:** Madam Temporary Deputy Speaker, I want to state that for sure some of these provisions stated by the Minister have been delivered to our constituencies. However, for accountability, it will be very prudent for her to have this information listed per constituencies so that we can countercheck and give the necessary feedback to her.

**Mr. Temporary Deputy Speaker** (Dr. Laboso): I think that point has been clearly made. Madam Minister, how do we break this information per constituency?

**Mrs. Ngilu:** Madam Temporary Deputy Speaker, when I passed on the document to Mr. Duale, he did not realize that I had not given him the other document which I have just passed on to him. When I passed on the document over to him, why did he not check and see--- That was before when I went to where he was seated. How come that the hon. Member did not look at it? Now he has the document.

*(Several hon. Members stood up in their places)*

Madam Temporary Deputy Speaker, let me say this---

**Mr. Temporary Deputy Speaker** (Dr. Laboso): Order, hon. Members! Can you allow the Minister to respond? You will get your chance.

**Mrs. Ngilu:** Madam Temporary Deputy Speaker, I had all this when I came in this morning. It is true that it is per constituency. However, I gave unfortunately the one that has the counties. I did not pass the document that has the constituencies to the hon. Member. He looked at the document I passed on to him and said; "I am very happy." I have realized that I had not given this document to him but I have just passed it on to him. I am sorry because I should have passed all the documents to the hon. Member but he should also have noticed that. However, the hon. Member now has the document.

Thank you, Madam Temporary Deputy Speaker.

**Mr. Keynan:** On a point of order, Madam Temporary Deputy Speaker. In light of the discrepancies in the answer given by the Minister, will I be in order to request the Chair that this Question be deferred to tomorrow afternoon, so that we can interrogate the answer given by her?

**Dr. Nuh:** On a point of order, Madam Temporary Deputy Speaker. It is on the same. I want to say that the Question to be deferred by the Chair then was on three aspects. One was that the hon. Members had requested that they be given a breakdown as per the constituency of the specific interventions. Secondly, since the document was so bulky, we were unable to interrogate it; the answer was supplied when the Question was being asked. Thirdly, we also asked for a progress report of the specific interventions that were done. Since the Minister has just given the answer, I think it would again be very difficult for us, as Members, to look at this and try to respond to the issues and ask for clarifications; we seek the indulgence of the Chair and also the Minister. I think this will also be of help to her; even if the Question is deferred to today afternoon, we will be able to interrogate the matter more specifically.

**Hon. Members:** On a point of order, Madam Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Members, let us allow the Minister to respond to those points of order.

**Mrs. Ngilu:** Madam Temporary Deputy Speaker, it is of no use for it to be brought in the afternoon, and I will tell you the reason why. First, the Question is that I say what has been done after May 2011. You know the Budget starts in June. So, May to June is only a matter of two months. So, we were completing the works that started last year, 2010 in July. There is only a small bit of the work that we have done between July 1st 2011 and this time. It is just about four months. That is why I tried to show them all that we have been doing. If you specifically say what you have done in a month, and remember the Government actually starts to give money around September, there is not much. I can only give what we did much more last year than what we have done this time. But I sat down with hon. Members and showed them that because of this drought, this is what we are doing. In some areas, we did much more work last year than we did this year, but we are really looking at the whole area, especially North Eastern Province (NEP), which is most hit. So, I really want to ask that the hon. Member to look at what we have done in his constituency and other constituencies, and say if there is much more that we can do within the resources that are available.

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Members, now that the hon. Member has been given the document that he did not have when the Minister started giving her answer, I think it is only fair that we give the Member time, maybe, up to tomorrow to study the answer that the Minister has given instead of us moving on with the Question. Maybe you can share the information with other Members from that area, so that you will be able to interrogate the answer that the Minister has given.

**Mr. Bahari:** On a point of order, Madam Temporary Deputy Speaker. Thank you for your indulgence. In the first instance, this Question is about ASAL areas, and so it is not about hon. Duale and belongs to the House. So, the Minister is supposed to provide at least 15 copies to the House, so that Members can acquaint themselves with the answer.

**Hon. Members:** No!

**The Temporary Deputy Speaker** (Dr. Laboso): Are you on a point of order?

**Mr. Bahari:** Yes, Madam Temporary Deputy Speaker. Is the Minister in order to restrict the Question to 2011 when part “b” of the Question asks for a list of water projects started under the drought intervention programme?

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Members, I have given direction. Allow leeway to the Member who originated the Question. It may belong to the House but there is an originator. Therefore, hon. Duale, plus all those who have got an interest in this Question should study the Minister’s answer and we have it on the Order Paper tomorrow afternoon and you can interrogate the Question further.

Let us leave that matter there and go to the next Question by hon. Shakeel.

*(Question deferred)*

*Question No.1053*

LACK OF AFFORDABLE CREDIT  
TO SMALL SCALE SUGAR-CANE FARMERS

**Mr. Shakeel** asked the Minister for Agriculture:-

(a) whether she is aware that one of the key constraints to increased sugar-cane production is lack of guaranteed and affordable credit facilities to small-scale farmers;

(b) whether she can confirm that the Kenya Sugar Board (KSB) contracted the Agricultural Finance Corporation (AFC) to manage loan services to farmers and, if so, how many small-scale farmers have been targeted and how much money has been set aside for the purpose; and,

(c) whether she could provide a list of all small-scale farmers who have benefited from the facility, indicating how much each has received.

**The Assistant Minister for Agriculture** (Mr. Ndambuki): Madam Temporary Deputy Speaker, I beg to reply.

(a) I am aware that lack of guaranteed and affordable credit facilities to small-scale farmers for cane development is one of the key constraints to increased sugar-cane production.

- (b) I confirm that the Kenya Sugar Board (KSB) entered into a contract with Agricultural Finance Corporation (AFC) on 2<sup>nd</sup> November 2006 for a period of five years to manage loan services to sugar-cane farmers. Kshs500 million was set aside for loans to individual farmers. The target number of beneficiaries is any farmer with 2.5 acres of land.
- (c) I hereby table a list of 1,052 farmers who benefited from the disbursement of Kshs5.3 billion from the Sugar Development Fund (SDF) by the AFC cane development programme.

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

**Mr. Shakeel:** Madam Temporary Deputy Speaker, I have just seen the Assistant Minister table a list which I would like to look at. However, there are over 500,000 farmers---

**The Temporary Deputy Speaker (Dr. Laboso):** Hon. Shakeel, are you saying that you have not received as response to this Question?

**Mr. Shakeel:** Madam Temporary Deputy Speaker, I have an answer to the Question. However, in part "c" of the answer, the Assistant Minister says: "I hereby table a list of 1,052 farmers who benefitted." So, I have not been able to see that list. So, could we be given some time to go through that list of 1,052 farmers?

**The Temporary Deputy Speaker (Dr. Laboso):** Hon. Assistant Minister, did you provide an answer without the full details of all the parts of the Question?

**Mr. Ndambuki:** Madam Temporary Deputy Speaker, I have tabled the list with all the names of the beneficiaries of the Kshs5.3 billion.

**The Temporary Deputy Speaker (Dr. Laboso):** So, hon. Shakeel, you are requesting to be given more time to study the list that has been tabled and, therefore, we can put this Question on the Order Paper on Tuesday next week, so that you will have enough time to study it and then you will be able to interrogate the Assistant Minister's answer.

**Mr. Shakeel:** I am obliged, Madam Temporary Deputy Speaker.

**Mr. Ndambuki:** Madam Temporary Deputy Speaker, but it is just a list of farmers.

**Mr. Washiali:** On a point of order, Madam Temporary Deputy Speaker. As we wait for the list, with your indulgence, could you allow those of us with supplementary questions to go ahead and interrogate the Assistant Minister?

**The Temporary Deputy Speaker (Dr. Laboso):** We will execute it now or execute it at the time when we have the full information.

**Dr. Khalwale:** On a point of order, Madam Temporary Deputy Speaker. Thank you for that decision that we be given time to study the list. Could you also direct the Assistant Minister to further table the breakdown showing where the money went? In that list, he has merely given us names. We want to be satisfied that since Kakamega County produces 80 per cent of all the sugar-cane in the country, we also should have affirmative action in supporting the farmers. So, could you direct that he tables a list showing how much money went to each of the sugar-cane growing areas?

**The Temporary Deputy Speaker (Dr. Laboso):** Dr. Khalwale, much as you have an interest in the Question, that is a different question. I will, therefore, order that

the Question be put in the Order Paper on Tuesday and the Minister comes with all the relevant information related to the Question.

*(Question deferred)*

## MINISTERIAL STATEMENT

### IMPENDING UNIVERSITY STAFF STRIKE

**The Temporary Deputy Speaker** (Dr. Laboso): The Minister was to give clarifications this morning.

**The Minister for Higher Education, Science and Technology** (Prof. Kamar): Thank you, Madam Temporary Deputy Speaker. I am sure hon. Members have seen in the Press that our institutions of higher learning called for a strike yesterday. As I mentioned yesterday, there is a problem with that kind of a strike because there was no room given for dialogue. But before I make any further comments, maybe, I should respond, first, to the questions that came in.

Madam Temporary Deputy Speaker, hon. Langat asked whether universities must always go on strike to be heard. I would like to say “no.” But the nature of unions is such that they negotiate their terms and salaries. So, the process is a normal one. The issue is that it should never boil down to going for a strike. So, negotiation is part of the whole deal when you have a union. I mentioned yesterday that since 2003, universities have been allowed to have unions, both at the senior and low level. There is the Universities Academic Staff Union (UASU) for senior staff, Universities Non-Teaching Staff Union (UNTESU) for the middle level and KUDHEIHA for the low cadre staff. So, that process is okay. The problem in the current situation, however, is that the unions, particularly UASU, on behalf of the others, requested to restart negotiations which had stalled in 2009. I, again, mentioned why they stalled. I want to repeat that when they negotiated for that, we went back to the authorities that had actually caused the stalling.

Madam Temporary Deputy Speaker, the most recent stalling occurred because of a circular that came from the Head of Civil Service, who had informed us that because of the new Commission on Salaries and Remuneration being put in place, there was going to be a freeze on any other negotiations. We went back to the authorities and discussed with the Attorney-General and Head of Civil Service. It was agreed that we allow negotiations to begin. That is what started on 2<sup>nd</sup>. We, therefore, had expected university councils to initiate the process of negotiating the terms and salaries that had stalled. The universities responded very positively and have an inter-council forum for public universities. They called meetings and invited all the unions. They went to Kisumu where negotiations were supposed to begin yesterday but the unions did not appear there. That is what caused the problem. Otherwise it is not true that they must strike. Normally, a strike is the last resort and nobody would have expected a strike to take place before the negotiations stalled. It was just the opening of the negotiations, but we do not understand why they decided to take the other approach.

Madam Temporary Deputy Speaker, hon. Wamalwa asked what the Government has done to initiate and sustain dialogue. I want to respond as follows: We have had

meetings. I mentioned yesterday that the first meeting that I had with UASU, myself, was on 13<sup>th</sup> October---

**The Temporary Deputy Speaker (Dr. Laboso):** Hon. Minister! I would ask you to really summarize because we have quite a lot of business. Try to really be brief in your answers.

**The Minister for Higher Education, Science and Technology (Prof. Kamar):** Okay, Madam Temporary Deputy Speaker.

Madam Temporary Deputy Speaker, hon. Wamalwa wanted to know what has been done by the Government. I said that on 13<sup>th</sup> October, we had the first meeting where the issue of the circular from Amb. Muthaura was questioned. We were able to agree that we were going to work on that. As I mentioned earlier, we were able to surmount that one. We even had another meeting on 19<sup>th</sup> and the process has been on up to yesterday when they did not go to Kisumu.

Madam Temporary Deputy Speaker, hon. Mungatana asked why we lengthen negotiations instead of just paying. Again, the process of salaries, when it comes to unions requires that you negotiate whatever terms they have. The negotiation is actually not with the Ministry, but between the university councils and the unions. As far as we are concerned as a Ministry, the councils had shown goodwill. It is just that the unions did not take the opportunity seriously and go for the negotiations.

Madam Temporary Deputy Speaker, hon. Karua asked whether, having been a professor in the university, I have actually gone into serious and meaningful dialogue. I have done it very seriously. The only problem is the uniqueness of that kind of strike. The uniqueness is that there has been change of goal posts. If you look at the scenario, the first request that came from UASU was that they wanted to open the negotiations and we did that. The second one was that they wanted something to be on the table. We said: "Let us move to Kisumu. We will bring something to the table." They did not appear in Kisumu. Failure to that, we actually invited them to come to my office yesterday, and they did not show up. Then, in releasing their own notice for the strike, they also brought in two different things which were not there. There was another change of goal posts. The third one is that they wanted to talk to the Deputy Prime Minister and Minister for Finance. In the written document that I have, they have said that they now want to talk to the Minister for Planning, National Development and Vision 2030, because they want to restructure their salaries. So, the issue is that, as much as we have done negotiations--- I respect the question by hon. Karua. What she has said is true. I have even negotiated when I was in the university. But change of goal posts is something that is extremely new. I do not understand. Up to now, as a Ministry, we are wondering why the goal posts have been changing. In fact, where they are now and what they have asked in the letter that they released; that they would like to discuss with the Ministry of Planning, National Development and Vision 2030, they are back to the letter from Amb. Muthaura. That is because the letter was saying that the negotiations should be done by the Commission on Salaries and Remuneration, which is really under the Ministry of Planning, National Development and Vision 2030. So, if they are interested in that one, it is much easier for us. That is because we will go back to the original set up and they can negotiate. Unfortunately, the Commission has not been set up, but we know that it is going to be set up. So, that was one of the issues.



Madam Temporary Deputy Speaker, the last one was from hon. Odhiambo-Mabona, who wanted us to clarify why we are having difficulties and yet, the universities are actually collecting a lot of money from BSSP programmes. I want to confirm that, yes, the collections are done. But part of the funds collected go back to develop the institutions. In fact, about 30 per cent is used to pay the lecturers over and above their normal salaries. But 70 per cent of the money collected is used partly to supplement the other original salary. That is because the capitation currently is not enough. Yes, they collect but it is not money that university councils can access freely. That is because it is tied to the development of the institution. Those were the comments that I was given.

Madam Temporary Deputy Speaker, I only want to again appeal to the universities and the unions that the only way you can broker a deadlock like that, is to sit on the table. It is wrong for the unions to avoid going to the round table and claim that nobody has allowed them to discuss. That is because there is nothing that they have put on the table. We are expecting them to go to the table and make their demand and then, we will give them the offer that we already have so that this matter can be solved.

I also want to appeal to them; the Union and university lecturers, that at stake in all these are the students. Some students pay. There are parallel and privately sponsored students within the same institutions and we should not disadvantage the students because of an issue that can be resolved. Nobody has denied them the opportunity to negotiate. That has been opened up and they should move forward and do that.

Thank you.

*[The Temporary Deputy Speaker (Dr. Laboso) left the Chair]*

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

**The Temporary Deputy Speaker** (Mr. Ethuro): Hon. Members, you may wish to remember this is a continuation from clarifications of yesterday. So, I will only allow three more.

**Mr. Koech:** Mr. Temporary Deputy Speaker, Sir, the first clarification that was sought was whether lecturers or the teachers must go on strike for them to be heard. Could the Minister confirm to this House that over the past period, teachers and lecturers whenever they go on strike, the Government actually acts to their demands and, therefore, that possibility is there?

I would have really loved to hear from the Minister that in this country, we have said we would wish not to see strikes. Lecturers have called for a strike starting today. I look and listen to the Minister's comments and it sounds like she is frustrated and the Government is frustrated. What is the position---

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Koech! You cannot issue another Statement. You can only seek a clarification!

**Mr. Koech:** Mr. Temporary Deputy Speaker, Sir, what is the Government doing to ensure that that strike does not take place?

**Dr. Khalwale:** Mr. Temporary Deputy Speaker, Sir, it is important that we stop the culture of our lecturers having their matters of welfare addressed through strikes. Could the Minister clarify what she is doing to ensure that the Salaries and Remuneration Commission will be the one that will bind these lecturers, so that, never again should

lecturers expect their salaries and allowances increased. They should do it outside this Commission.

**Dr. Laboso:** Mr. Temporary Deputy Speaker, Sir, I just want the Minister to clarify whether this country takes members of the academia seriously. Do they recognize the efforts that go into becoming a university professor? Are they remunerated in line with their effort that they put to be in the positions that they do? It is very sad that you find professors hardly able to even feed their own families.

**The Temporary Deputy Speaker, (Mr. Ethuro):** Minister, I think because of interest and the nature of this matter, I will allow two more.

**Mr. Chanzu:** Mr. Temporary Deputy Speaker, Sir, the Minister has talked about changing goal posts but I think this is the job of unions. They are trying to exploit the loopholes which they see in Government. There are going to be many more universities coming up. Initially, we had only one university, but now they are many and many more are going to come up.

**The Temporary Deputy Speaker (Mr. Ethuro):** Order, Mr. Chanzu! What is your clarification?

**Mr. Chanzu:** Mr. Temporary Deputy Speaker, Sir, I am just asking the Minister to clarify whether they are preparing for this now that universities are going to copy from what is going on, if they know that that is the weakness they have to exploit for you to be able to listen. What preparedness have you put in place to address these situations as they arise from time to time?

**Mr. Mbadi:** Mr. Temporary Deputy Speaker, Sir, given that the Minister has been in this field for a very long time, one would have expected her to do a lot better. However, could the Minister confirm to Kenyans whether she is satisfied with the levels of remuneration to the members of UASU, UNTESU and KUDHEHIA given the erosion of the purchasing power of the Kenya shilling? I am speaking as one who had the privilege and advantage of working with the university and so I know what I am talking about.

**The Minister for Higher Education, Science and Technology (Prof. Kamar):** Mr. Temporary Deputy Speaker, Sir, the first question from Mr. Koech on what the Government is doing to stop this strike. Discussions are going on right now. We are still trying to jump-start negotiations because it is the only way. Unless we come around a table and discuss, there is no other way we can jump-start this. I also want to say that we are discussing with the Federation of Kenya Employers (FKE). According to FKE, this is an illegal strike because there was no stalemate in the negotiation itself. We actually believe that there was nothing. According to the law, you cannot go on strike unless you have had a stalemate in the negotiation. This time they have not even come to the table. They have disadvantaged themselves and all of us because they have locked themselves out of negotiating.

We are trying to see how to get to negotiations. We are pursuing that both in the courts and otherwise.

Dr. Khalwale asked what we are doing to ensure that the Salaries and Remuneration Commission takes over. It is true that the law that forms the Commission means all salaries. Initially, we impressed upon the universities that that is where we are and that is why the circular by Amb. Muthaura came out to actually state that we should stop negotiations until that is done. They did not believe in it initially but eventually, in

their own letter, they are now saying that they want their salaries to be restructured and negotiated with the Ministry of State for Planning, National Development and Vision 2030 which means they are now agreeing with us. I think this is going to be simple so that our salaries from the cleaner to the President can be negotiated in one place. We are hoping that that will be done. We will be harmonizing our laws with the new Constitution so that those duties that overlap can be put to where the Constitution says they should be.

To answer Dr. Laboso, yes, it is true that the country takes professors seriously. For that reason, in 2003, they were allowed to form their own union. It is out of the union that the current salaries are on. These are negotiated salaries. All employees of the university actually have their separate unions for purposes of negotiating. Therefore, once you have been given the tools to negotiate, if they take advantage of negotiation, the sky is open for them. They can negotiate for anything. Whatever the country can afford will be taken on board. Yes, the Government is taking that seriously and that is why we fought to ensure that we open negotiations as the Commission is not in place.

Mr. Temporary Deputy Speaker, Sir, Mr. Chanzu has asked for clarification on the preparedness for the increasing institutions. Yes, we are preparing ourselves in all ways. We are preparing ourselves by increasing members of staff and increasing institutions. We are also looking at the laws that are governing the institutions of higher learning. Those are areas where we have loopholes and weaknesses. As I said, even with regard to the issue of salaries, we are trying to harmonize what our laws are saying and what the Salaries and Remuneration Commission is doing so that we are in tandem with the new Constitution. Those are some of the preparations we are making. We are quite conscious that the institutions are going to increase.

The last clarification was sought by Mr. Mbadi. He asked whether I am satisfied that the remunerations are okay because of the depreciating Kenya shilling. Obviously everybody has been affected by the shilling downwards. It is not only the professors but everybody else. I would not isolate that as an issue surrounding this strike. This strike has to do with negotiations that stalled in 2009 which we are jump-starting irrespective of whether the shilling misbehaves or behaves.

Again, we are appealing even to the Members here to talk to our professors and lecturers. We cannot afford to close our universities even for a week because of the programmes that are currently going on and the way we have synchronized them. We are also keen to make sure that the accelerated intake of students is undertaken within these three years. By 2015, we are going to have something close to double intake because of the free education.

Mr. Temporary Deputy Speaker, Sir, my appeal to the whole country is that we give negotiations a chance. This is what our unions are not doing. They are not giving us a chance to negotiate; if we negotiate, we should settle for something.

## **MOTION**

### **ESTABLISHMENT OF SELECT COMMITTEE TO INVESTIGATE DEPRECIATION OF KENYA SHILLING**

**THAT, aware that Kenya is the East Africa's biggest economy and regional economic hub, noting that Kenya is facing a spike in inflation**

and her currency has plummeted to its weakest level and is now recorded as the continent's worst performer this year despite being fairly stable for the last four decades; concerned that the Central Bank of Kenya has maintained a "watch and see attitude" and has publicly admitted that it could not control the currency slip citing that some commercial banks are holding foreign currencies and has asserted that the problem may persist for another six months; considering that the Task Force established by the Rt. Hon. Prime Minister to help stabilize the shilling, the efforts by the Monetary Policy Committee and the interventions by Treasury have not succeeded in addressing the situation; aware that this depreciation trend has made many Kenyans and foreign investors incur massive losses and the cost of transacting business unduly expensive, this House resolves to constitute a Select Committee to comprehensively investigate the cause(s) of the drastic and steady decline of the Kenya Shilling against the foreign currencies and make recommendations on the way forward and that the Committee shall comprise the following and shall table its report within sixty days of its appointment :-

Hon. Adan Keynan, M.P.  
Hon. Charles Kilonzo, M.P.  
Hon. Benjamin Langat, M.P.  
Hon. Shakeel Shabbir, M.P.  
Hon. Peter Kiilu, M.P.  
Hon. Moses Lesonet, M.P.  
Hon. Emilio Kathuri, M.P.  
Hon. Benedict Gunda, M.P.  
Hon. Rachel Shebesh, M.P.  
Hon. Shakila Abdalla, M.P.  
Hon. Ntoitha M'Mithiaru, M.P.  
Hon. Martin Ogindo, M.P.  
Hon. Yusuf Chanzu, M.P.  
Hon. (Dr.) Erastus Mureithi, M.P.  
Hon. Abdul Bahari, M.P.

*(Mr. Keynan on 2.11.2011)*

*(Resumption of Debate interrupted on 2.11.2011)*

**The Temporary Deputy Speaker** (Mr. Ethuro): I think Mr. Keynan has more minutes to continue; in his absence we can take any other hon. Member. Mr. Keynan was moving so he needed a Seconder.

**Mr. Ogindo:** Mr. Temporary Deputy Speaker, Sir, I rise to second the Motion. I think it is time that as a country we applied our minds seriously to the issue of our Shilling. I say this because I have seen this Shilling rise and fall again. As outlined in the Motion, we have been waiting in vain to see the Central Bank of Kenya (CBK) take the necessary steps to ensure that the Shilling is brought under control, and this is the sole responsibility of the CBK. It is the work of the CBK to control inflation; it is the work of

the CBK to ensure that the exchange rates, much as they are liberalized, do not get out of control. I think the whole blame must rest on the laps of the Governor of the CBK.

One of the causes of inflation is increased money supply: Whether we are talking of spike inflation or the general inflation. From the CBK point of view - the more reason we need a Select Committee to seriously look at this issue of the Shilling - it is the CBK that prints money. As it stands today, we hear that there are no existing contracts for printing of the Kenya Shilling. Advantage of this situation can be taken to increase money supply that now fuels inflation. I think that matter should capture the attention of the Select Committee should the House pass this Motion.

The other thing that I think requires serious attention from the Treasury and the Ministry of Finance is the size of the deficit. We know that most of the deficit is financed through debt, and this also fuels inflation; that is another area that, should the House approve this Motion, the Select Committee should apply itself to. We are also running a non-contributory pension, and that is an area that would need great strengthening, if we are to unravel the cause of this fall in the value of our Shilling. I have also studied trends in the past, particularly in the run-up to elections and seen that every time we are approaching our elections, there tends to be a fall in the Shilling. It is time that a Select Committee was set up to look at this trend and possibly unravel the underlying reason.

Mr. Temporary Deputy Speaker, Sir, there are some old causes of inflation like importation. Our country for a long time has been basically a merchandizing country. By this I mean that we have a country whose economy thrives on buying and selling even the small things that we can make for ourselves; that strains our foreign exchange reserves unnecessarily. A good example is when you visit shops and see toys that are made of plastic and all them come from China. You need to get the dollars before you get the Yen, yet these are plastics that we can make here. It is time that this House approved this Select Committee, so that recommendations can be made to possibly ensure that these small items like the toys are not imported using our foreign exchange. In doing that, we shall in retrospect be ensuring that there is innovation and creativity in this country.

I have also thought about getting an economy that could look into De La Rue contract, because it has a direct relevance to this fall in the value of the Shilling. Should this House approve this Motion, I think that will provide a perfect opportunity. I have also noted that people normally celebrate the vibrant economy here in Nairobi, particularly going by the trading in the Nairobi Stock Exchange (NSE). The Kenya economy is larger than the NSE, and we need to have a policy that ensures that we spread our economy all the way up to Turkana County, Homa Bay County, down to Lamu and everywhere else.

We have a lot of resources that are lying free, which could be utilized to create employment. The Port of Mombasa comes to mind and I remember that this House once approved a guarantee of a loan to expand the Port of Mombasa. It is important that this country takes bold steps to undertake such critical infrastructural development and be creative. By that I mean that we should by now have started exploring the possibility of putting up infrastructure under the Build Operate and Transfer (BOT) arrangement.

The other thing I want to point out here is that the economy, as it is today, is being manipulated by a few people. It is important that these people be brought under scrutiny. The other thing is that those organs that are responsible for analyzing the economy - I have in mind other organs like the Kenya Institute for Public Policy Research and

Analysis (KIPPRA), the National Economic and Social Council (NESC) and the Monetary Policy Committee. It is important that these groups be engaged seriously, so that we explore options by which we can have our Shilling under control. Two reasons have been given for the fall in the value of the Shilling. These are the cost of food and the cost of fuel, but I do not think this is true because last year we had a bumper harvest and this year we have serious inflation.

Similarly, the oil price affects East and Central Africa. We see that there has been an increase of about 57 per cent in the oil price in Kenya compared to an increase of under five per cent in Rwanda. Out of this comparison, it is, indeed, important that a select committee is set up to look at this issue.

With those remarks, I beg to second.

*(Question proposed)*

**Mr. Bahari:** Thank you, Mr. Temporary Deputy Speaker, Sir. I want from the outset to congratulate Mr. Keynan for taking this initiative. We, as the representatives of the people, there are times when you cannot wait for the Executive to sort out issues.

The economy is a very important function of the State. Through the fluctuation of the currency what has happened is that in addition to the investors, the common *mwananchi* has adversely been affected. Life has become impossible to bear because of increased cost of living. For investors also who are the ones who are responsible for creating wealth and employment, it has also become extremely unbearable and the economy is unpredictable. Because of that unpredictability, therefore, investor confidence is lost. Once the investor confidence is lost, then this economy will come to a standstill. This House cannot wait. Indeed, I am happy that the Mover of this Motion has said “within 60 days”. So, if we are able to do it even earlier than the 60 days, the better for us.

Mr. Temporary Deputy Speaker, Sir, we cannot afford, particularly at a time when we are going to election year, to see these kinds of happenings in this economy. We have fairly done well since 2007. The economy has been coming back on its feet and we need to have that reliability in terms of the foreign exchange. Thirty per cent decline within a very short period will create a mess in this country.

The importers will also have a similar problem because they will be required to produce more Kenya Shillings to get the necessary foreign exchange to be able to import items into this country. This will be translated into price increases and, therefore, the inflationary pressure will come in.

The regulatory body, which is the Central Bank of Kenya, as has been stated here in this Motion--- We know these fluctuations can be here, but then the most important thing is for the monetary policy institution, the one that regulates, to take a counter-measure. We have not seen counter-measures from the CBK that are yielding results. It is like they have given up, they are haphazard and they are drawn into the whole problem. Therefore, the six months they are talking about is just a question of buying time. Already the measures that have been taken in terms of increasing the cash ratio have caused an increase in interest rates. Therefore, investors cannot borrow money from the banks or borrowing has become very expensive. In fact, we have seen that for a long time now.

So, the buck stops with this House. This House must take appropriate measures to find out exactly where things went wrong. Did our imports actually increase tremendously to warrant such a demand in foreign exchange? Did our exports radically reduce to warrant, perhaps, lesser in flow of foreign exchange? This matter is very important. I beg to support that this Motion be passed with the necessary speed to allow us to carry out the requisite investigation.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**Mr. Mbadi:** Thank you, Mr. Temporary Deputy Speaker, Sir. Let me also take this opportunity to thank and congratulate Mr. Keynan for bringing this Motion. This Motion is long overdue. Kenyans have really been waiting to see what Parliament is doing because their lives have become unbearable.

The effect of what we have just seen in the recent past in the depreciation of the Kenya Shilling is not only going to be noticed in the short term, but it will be a long term. Apart from the usual day to day effect that we see in our lives, there will also be the effect on how much Kenya as a country will be paying from the loans that we got from various lending institutions. The loans that we got were borrowed in foreign currencies. Therefore, if the shilling decreases in value, then this will definitely have an effect even to the future generations.

Mr. Temporary Deputy Speaker, Sir, it is sad that when we started seeing the trend of depreciation of the Kenya Shilling, some of us took an opportunity to raise the issue with the Ministry concerned. That time the dollar was exchanging at Kshs80.9. The Treasury actually took six months to come to answer that issue and when they finally did, the shilling was exchanging at Kshs107 to the dollar. That is just an indication of how our Government is not responsive. I want to go ahead and just highlight some of the issues that I think should have been handled differently if this Government was serious in addressing the depreciating Kenya Shilling.

The first one was the behavior of the Central Bank Governor. The Governor of the CBK gave mixed signals. It was really shocking that the CBK Governor, when Kenyans started raising alarm, said that he would not take action. This is akin to thieves breaking into your house and the watchman you have put at the gate telling you that you are on your own and he cannot help you. What would happen is desperation. This sent panic in the entire economy. After a few days, the same CBK Governor told this country that there were some banks which were holding the foreign currency. That again caused panic in the economy and many speculators came in to cash in and the result is what we are seeing.

One of the reasons for the depreciation of the Kenya Shilling could be the increased demand on the dollar, but I keep on asking why this country should rely on the dollar so much yet there are other hard currencies. Why can we not diversify to the Euro, Pound or the other hard currencies, so that we can reduce the increased pressure on the dollar? It is also important that this country thinks how to increase the absorption rate of the donor funded projects. That would result into increased inflow of foreign currency and foreign reserves that we seriously need. We need to control inflation in this country if we have to reduce the pressure on the cost of living.

Mr. Temporary Deputy Speaker, Sir, a lot has been said about the increase in productivity not only agricultural, but also industrial. It is sad that the action that the Treasury has taken of late is like digging one hole to fill another one. If you were

increasing interest rates, in essence you are going to decrease productivity in the country because investments are going to decrease and nobody is going to take loans. If you talk to investors, you will get the feeling that now they have shied away from taking loans. Many people who would have been investing are not investing any more. The effect of that is decreased investment, increased unemployment, increased poverty and more problems to the economy. We need to do the right things at the right time. We need to seriously focus on reducing the cost of doing business in this country so that we can increase our productivity. That is the only way we can do it.

Countries like Rwanda have overtaken Kenya in terms of business friendly environment. What is happening in this country? We have people who pride to be professionals; the largest Government where Ministries have been split to an extent you would think that one has a very small area to focus on, but we just spend money paying salaries to these Government officers yet they have very little to offer. Is it a question of putting the wrong people in the wrong places? It is important that we think through even the personnel that we put in place. I have a feeling that probably we do not have the right people even at the Treasury and the Central Bank; people who can come up with concrete economic fundamentals to help save this country from these shocks.

Finally, recently, there has been this talk about Kenya refunding money to development partners. These are other areas which would still have an effect on the Kenya Shilling. If we are refunding money, we are going to buy dollars to refund that money. If we are refunding Kshs3 billion, it means that Kenya is going to lose Kshs3 billion to the development partners thereby putting even more pressure on our foreign reserves. This will thereby put more pressure on the Kenya Shilling, increase inflation and decrease the value of the Kenya Shilling. Something needs to be done. With that, I join my colleagues in thinking that this House, being the House of the peoples' representatives, has a duty to constitute a select committee and I hope that the 15 Members will go into the root of this matter, identify the causes and recommend to this House for adoption. If the Executive fails, this House cannot fail this country. Hon. Keynan with his team has a duty to help this country.

**Mr. M'Mithiaru:** Thank you, Mr. Temporary Deputy Speaker, Sir. I wish to add my voice in support of this Motion. In so doing, I congratulate my friend, hon. Keynan, for taking it upon himself to ensure this Motion is brought to the House. For the last six months, we have seen a steep decline of the Kenya Shilling. When the value of the Kenya Shilling declines, there are very many effects. One of them is the huge bill that our Kenyan importers will have to foot bearing in mind that Kenya is a net importer. Another effect is that Kenyans who pay school fees abroad have to contend with a very high bill. We are all aware that the management of the Kenya financial system falls under the CBK. It is also the CBK that has the supervisory role with regard to the management of the foreign exchange business. For the last four years until six months ago, the CBK had done a good job in that they managed to contain the trinity, namely, inflation, exchange rates and the interest rates. That was a feat that the bank achieved. But for the last six months, we have seen the opposite.

Just a browse at the website of the CBK showed me that in January, 2008, the exchange mean rate of the Kenya Shilling to the dollar was about Kshs73. In December, 2008, the mean rate of the Kenya Shilling against the dollar was Kshs77. In 2009, the mean rate of the Kenya Shilling to the dollar was about Kshs77 until June this year, when



it was about Kshs86. By November, 2011, it is over Kshs96. So, you can see clearly that in the last six months, something has gone wrong. We are all aware that in 2008, Kenya experienced a lot of problems. There was the issue of the post-election violence and the issue of the international financial crisis, but with all that, the Kenya Shilling was contained. If we also look at the players in the foreign exchange market in Kenya, they are the commercial banks, forex bureaus, the CBK and a few micro-finance institutions. The role of the CBK here is to ensure there is timely and correct submission of statistics of the dealings in foreign exchange. That is where the bank plays the supervisory role. We are in a floating exchange rate regime where the value of the Kenya Shilling is fixed by the forces of demand and supply.

So, if we look at that scenario, then we can see that something has radically gone wrong, especially when we know that the determinants of the exchange rates are mainly the international traders, the volume of importers and exports, the domestic interest rates and also the political situation in the country. If by elimination we see that right now things are not as bad as they were in 2008 and 2009 when we had severe drought, then something needs to be properly investigated. Something must be investigated in the event that there are any illegal dealings of foreign exchange.

Word going round is that there are some banks which are illegally holding foreign exchange. If that be so, it is only a committee of Parliament that can fathom this issue because it will tread even where eagles would fear to tread. In an effort to arrest this runaway foreign exchange rates, the CBK has also increased its rate to 16.5 per cent.

That means that commercial banks will, in turn, increase their base lending rates. Once the lending rates have been increased, then the growth of the country could be affected. That is because all those borrowers will have to pay very high interest rates. With those high interest rates, some of them will default and banks will have to content with many defaulters. The private sector, which is the brand of the economy, will actually be affected. Therefore, the economic growth that is envisaged will not be realized and the growth rate expected this year will be affected. In an effort to find out who is responsible for that, a committee of Parliament will be able to tell Kenyans what has actually gone wrong. The committee will also make recommendations. That is the only way we can be able to arrest the situation and ensure that our economy is on the growth path that we have charted for ourselves.

With those few words, I beg to support.

**Mr. Chanzu:** Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to support this important Motion. I think Kenyans look up to Members of Parliament when there is a small problem.

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Chanzu! You have an amendment and if you go that way, you will have squandered the opportunity to move the amendment. So, start with the amendment.

**Mr. Chanzu:** Mr. Temporary Deputy Speaker, Sir, I beg to move:-

THAT, the Motion be amended by adding the name of Hon. Adan Duale as a Member of the Committee immediately after the name of Hon. Abdul Bahari, MP.

That is necessitated by the fact we need to have as many people as possible who may have institutional memory on some of these issues. I would like to ask *Mheshimiwa* to second.

**Mr. Mungatana** seconded

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

*(Question, that the words to be added be added, put and agreed to)*

*(Question of the Motion as amended proposed)*

**Mr. Chanzu:** Mr. Temporary Deputy Speaker, Sir---

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Chanzu! The Motion will resume as amended. Mr. Chanzu, first, I have not given you the chance and, secondly, you have already expended your opportunity. So, let us give the chance to Mr. Mungatana. Those are the rules of debate, Mr. Chanzu.

**Mr. Mungatana:** Mr. Temporary Deputy Speaker, Sir, first of all, I want to thank Mr. Adan Keynan for moving this Motion at such a time. Some people who may be listening to this debate could be wondering why Parliament should be involved in things that look quite technical on the face of them. Article 95(2) of the Constitution states that one of the duties and roles of Parliament is that the National Assembly shall deliberate and resolve issues of concern to the people. So, it is, indeed, an issue of great concern to the people of this Republic that, in fact, the value of the Kenya Shilling this year has depreciated by about 26 per cent, reaching a record low of Kshs104 to the dollar. In fact, it is an issue of concern that the Kenya Shilling, today, is regarded as one of the world's worst performing currencies. Therefore, there is a reason why the people of Kenya are very concerned. Therefore, there is a reason why Parliament needs to take its duty seriously on this matter. There is a reason why Parliament must be involved. I, therefore, strongly support the setting up of this Parliamentary Select Committee, so that the concerns of the people of Kenya may be addressed, deliberations done and possible solutions to the problem be found.

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

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

Like other hon. Members have said before, in 1990, we made a decision as an economy called the Kenya economy, to make our exchange rate a floating exchange rate. There were reasons for that. We looked at the advantages. First, it would allow more continuous adjustments of the rates to the shift in demand and supply of foreign exchange, which is good. That is because it would give freedom to the country to pursue its monetary policy without having to be concerned with the balance of payment effect. We made that decision consciously as an economy. But there were disadvantages to a floating exchange rate. If you look at Kenya, as we stand today and even then, it has a huge import bill. We are not an oil producing country. About 20 per cent of our revenue is all going towards

the purchase of oil. That has made us very vulnerable to exchanges particularly outside Kenya.

Mr. Temporary Deputy Speaker, Sir, in order for us to have proper trading within this country; and in order for us to have control of the exchange in this country, we have to take proper determination of the economic factors that are responsible for the fluctuation of the shilling. We know that the fiscal and monetary policies are the key instruments. Right now, the people of Kenya are not satisfied in the manner in which the Central Bank of Kenya has tried to drive the process of the management of the fiscal and monetary policy.

Typically, therefore, the Kenyan people want to have an input in terms of what can be done. This Committee, like it has been said before, will probe things that are not being discussed right now. It will go into areas that other instruments, particularly the CBK, have not been willing or wanting to explore. It will also give the people of Kenya confidence that something is being done at this time.

I am not part of that Committee but, one of the things that it must explore is the following: Right now, Kenya is suffering because the value of imports, as we stand now, is US\$4 billion.

Our exports amount to only about US\$0.4 million. So, in terms of stabilizing the exchange rate, this Committee must look into ways and means of improving our shilling. We will not only be talking about our importers, but also our exporters. How are we going to encourage them? What are we going to do---

**Mr. Midiwo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I beg your indulgence for a minute or two. I want to thank the Mover of this Motion because the idea of it may be good, but the Departmental Committee on Finance, Planning and Trade is already seized of this issue. Even as we speak, we are busy engaging the Deputy Prime Minister and Minister for Finance. Why would Parliament want to form another Committee to do the same work which is already being done by the Departmental Committee on Finance, Planning and Trade? We appreciate Mr. Keynan for bringing it up. However, I think the right way is that there is a committee which is dealing with this issue even as we speak. I think we are doing double work for something which is not right. I beg your indulgence that this matter needs consideration before this Motion can go on. We are not opposing the Motion; rather we are opposing the procedure because it is meant to usurp the powers of the Departmental Committee on Finance, Planning and Trade.

Mr. Temporary Deputy Speaker, Sir, I want you to help us on that as Members of the Departmental Committee on Finance, Planning and Trade.

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Mr. Temporary Deputy Speaker, Sir, I also wish to oppose this Motion.

*(Several hon. Members stood in their places)*

**The Temporary Deputy Speaker** (Prof. Kaloki): Hon. Minister, I would like to hear what you are presenting.

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Mr. Temporary Deputy Speaker, Sir, the reason why we are actually seeking guidance from

the Chair is that the substantive matter that is the subject of this Motion is already a subject matter seized by the relevant Departmental Committee.

*(Several hon. Members stood in their places)*

Mr. Temporary Deputy Speaker, Sir, I am on a point of order!

**The Temporary Deputy Speaker** (Prof. Kaloki): Hon. Uhuru Kenyatta, are you standing on a point of order?

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Mr. Temporary Deputy Speaker, Sir, it is a point of order. I am not contributing to this Motion.

*(Loud consultations)*

**The Temporary Deputy Speaker** (Prof. Kaloki): What is your point of order?

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Mr. Temporary Deputy Speaker, Sir, if they will allow me to conclude, I will not even be long.

**Mrs. Shebesh:** He is not on a point of order!

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Mr. Temporary Deputy Speaker, Sir, I am on a point of order.

**Hon. Members:** Which one?

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Mr. Temporary Deputy Speaker, Sir, whether this Motion is properly before this House. That is what I am contributing to. Please, if they may relax a little bit, they will also get their opportunity.

**The Temporary Deputy Speaker** (Prof. Kaloki): Mr. Minister, you have the Floor!

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Mr. Temporary Deputy Speaker, Sir, I was saying that the Departmental Committee on Finance, Planning and Trade is already seized of this matter. This issue is already under discussion by that relevant Departmental Committee and which is supposed to be dealing with this particular situation. We are not saying that this House does not have the right. What we are saying is that we cannot start duplicating the work of Committees by creating ad hoc committees because that is not only a waste of resources, but also time.

**Mrs. Shebesh:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it really in order for a Motion that has been approved by the Speaker and passed by the House Business Committee (HBC) to be rubbished by an Executive that has been unable to do its work? They sit in the HBC! Is it in order to belittle the work of this House?

*(Loud consultations)*

Mr. Temporary Deputy Speaker, Sir, protect me the way you protected the Minister!

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Mr. Midiwo! Order, Minister!

**Mrs. Shebesh:** Mr. Temporary Deputy Speaker, Sir, this business has been going on for the last 45 minutes. Members have already contributed. You have seen the rush that has come in here because some people have sent text messages. Is it in order for something that has been passed by the HBC and the Speaker to be belittled by the Executive that has been unable to do its work?

**The Deputy Prime Minister and Minister for Finance** (Mr. Kenyatta): Mr. Temporary Deputy Speaker, Sir, is hon. Shebesh in order to say that the Executive has failed in its duties when we are already not tackling the issue as the Executive, but also dealing with Parliament on the same issue?

**Mr. Midiwo:** On a point of information, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Prof. Kaloki): Whom do you want to inform?

**Mr. Midiwo:** The Government!

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Mr. Midiwo! Proceed, Mr. Mungatana!

**Mr. Mungatana:** Mr. Temporary Deputy Speaker, Sir, let us calm down first and deal with the point of order that Mr. Midiwo has raised. Mr. Midiwo has interrupted my contribution and raised a point of order saying that, already, the Departmental Committee on Finance, Planning and Trade is seized of this matter and, therefore, we cannot purport to form a Select Committee. We need to resolve that issue now and we should not raise temperatures. Let us reason together.

Mr. Temporary Deputy Speaker, Sir, in answering that---

**The Temporary Deputy Speaker** (Prof. Kaloki): You are on a point of order. Is that right?

**Mr. Mungatana:** Mr. Temporary Deputy Speaker, Sir, I am on a point of order answering to his point of order.

**The Temporary Deputy Speaker** (Prof. Kaloki): Very well!

**Mr. Mungatana:** Mr. Temporary Deputy Speaker, Sir, in considering your ruling, you must find that constitutionally – and I quoted the Constitution and I want you to hear---

*(The Chair consulted the Clerks-at-the-Table)*

I want the Chair to listen because he has to make a ruling.

**The Temporary Deputy Speaker** (Prof. Kaloki): Go ahead, Mr. Mungatana!

**Mr. Mungatana:** Mr. Temporary Deputy Speaker, Sir, I was informing the House that we have a constitutional duty as a House to debate issues that concern this country and come up with solutions.

Mr. Temporary Deputy Speaker, Sir, if the Finance, Planning and Trade Committee is already deliberating or doing something about this matter, we are saying that a Parliamentary Select Committee which is specifically seized of this matter would do a better job. This is because the Departmental Committee on Finance, Planning and Trade might be dealing with many other issues. We are talking about the value of the Shilling because to date that value is still going down. If the Departmental Committee on Finance, Planning and Trade was doing something about it, we should have seen the exchange rate changing!

(Applause)

So, what we are saying---

**The Temporary Deputy Speaker** (Prof. Kaloki): Hon. Midiwo!

**Mr. Midiwo:** Mr. Temporary Deputy Speaker, Sir, I want to plead with my colleagues who are supporting this Motion that we are not opposing the Motion *per se*. What we are saying as a Committee is that we have already even summoned the players including bankers, and for you to investigate this matter and interrogate it, you will be calling the same people that the Departmental Committee on Finance, Planning and Trade is calling. The Departmental Committee on Finance, Planning and Trade, after its deliberations, will do a report for discussion in this House. So, why do you need two reports and two bodies to do it? It is not even good expenditure of public funds!

**Mr. Ethuro:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I am also pleading for sobriety as hon. Mungatana has done. Initially, I entertained hon. Midiwo's thoughts, who is the Joint Chief Whip as he would like to be called, but when I engaged my mind on this matter, I looked at the relevant Standing Orders. Indeed, we have a departmental committee on the issue of finance, planning and trade, but when you look at the mandate of that committee, it is so broad that they failed to deal with this particular matter, just the way they failed to deal with population. Two, hon. Midiwo and the Deputy Prime Minister and Minister for Finance never quoted any Standing Order that we are in breach of. Standing Order No.200 says that, indeed, we cannot deal with a matter that is already in the mandate of another committee, except on a Motion, and this is a Motion that is creating another select committee in order to get this particular specific matter on the Kenya Shilling and its devaluation to be handled in a specific manner.

Thirdly, the hon. Joint Chief Whip, hon. Midiwo, sits in the House Business Committee (HBC). I also suspect the hon. Deputy Leader of Government Business also sits on the HBC maybe on behalf of the Deputy Prime Minister and Minister for Finance. The HBC, in its wisdom, passed this Motion, brought it here last week and it was actually debated. Even if for no other reason, the fact that obviously the Joint Chief Whip and Cabinet Members were sleeping on the job, I will insist that this Motion proceeds. It is properly before the House.

**The Minister for Transport** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, I really did not want to get myself into this matter, but I have been dragged into it by the insinuation that has been made by the previous speaker that the HBC, and, indeed, the Government has been sleeping on the job and has allowed this Motion to come to the Floor. Indeed, I want to confirm that the HBC was not sleeping on the job as this Motion got onto the Floor. I want to confirm that yes, the Motion was properly approved by the Speaker, voted for by the HBC and that is why it is on the Order Paper. But that does not overrule the contribution and the matter that has been brought to the attention of this House by the Departmental Committee on Finance, Planning and Trade. Indeed this Committee is already seized of this matter. I believe what is lacking is that this Committee has not presented to the House a report that the House can then look at.

What we need to look at as a House is guided by the new information that Members are obviously at liberty to make a decision as to whether they want to wait for the report of the Finance, Planning and Trade Committee, which is already looking into this matter or to duplicate the work of the House by giving the same work to another

committee, and then have two reports that will then have to be dealt with by this House. However, in terms of the propriety of the Motion in the House today, I want to allay the fears of the Members, and say that it is properly before the House. Also hon. Members should be alive to the fact that the Finance, Planning and Trade Committee has just been interrupted in its meeting on the same matter. We will be bringing a report to this same House on this matter. So, it is an issue of information that has come to the Floor of the House. Had that information come to the HBC before, we would, probably, not have prioritized this Motion for today. It is important that we do not look at it as though the two Motions are--- Let us debate the Motion. There is still time; let us not rush over it. It is a very important matter. Let us not rush over it.

**Mr. Kioni:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I want to just draw the attention of the House that the report that was tabled in this House by hon. Namwamba was dealing with the same issue. If one was to go to page 82 of the report, there is a whole paragraph that deals with high inflation and depreciation of the Kenya Shilling. So, the Committee that has just finished its work dealt with the same issue. I think that it is not prudent for this House to keep on duplicating issues, because we must also be seen to be careful in the way we spend taxpayers' money.

**Mr. Mbadi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. It is a matter of procedure!

**The Temporary Deputy Speaker** (Prof. Kaloki): Order! Order!

**Mr. Kioni:** Mr. Temporary Deputy Speaker, Sir, I am also on a point of order. Mr. Temporary Deputy Speaker, Sir, the report has been tabled.

**An hon. Member:** We cannot debate a report which has not been moved!

**Mr. Kioni:** Mr. Temporary Deputy Speaker, Sir, it might not have been debated, but it is before this House. I am not debating the report, I was just informing the House.

**The Temporary Deputy Speaker** (Prof. Kaloki): Order! First, the Motion is properly before the House. We must agree on that. Secondly, the Chair has consulted. We will continue and conclude the matter before us. In the end, we will be able to vote on the Motion and decide one way or the other. The Committee on Finance, Planning and Trade should continue and complete their report and bring it to the House. That is a substantive Committee of the House. Let us continue with the Motion. Hon. Mungatana, you were on the Floor!

**Mr. Mungatana:** Mr. Temporary Deputy Speaker, Sir, the last point that I was saying is that we need to have this---

*(Loud consultations)*

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

**The Temporary Deputy Speaker** (Prof. Kaloki): Hon. Mungatana, are you through with your remarks?

**Mr. Mungatana:** Yes, Mr. Temporary Deputy Speaker, Sir. There is so much interruption.

**The Minister for Transport** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me this opportunity to contribute to this Motion. As hon. Members will be aware, there was an interruption, but I contributed to the points of

order that were there. I have been waiting patiently to contribute to this Motion, which was brought before the House.

Mr. Temporary Deputy Speaker, Sir, I just want to, first of all, react to the subject matter of this Motion. One, it is stated in the Motion that the Central Bank of Kenya has just been maintaining “a watch and see attitude.” In other words, it has no control over the currency slip and the interventions by the Treasury have not succeeded. I want to confirm to this House that, indeed, the Central Bank of Kenya, which has been mandated by this House through the Central Bank of Kenya Act, has not adopted a watch and see attitude. We have seen actions almost on a weekly basis in terms of what needs to be done through the Monetary Policy Committee, and the matter is actually being addressed.

**Mr. Letimalo:** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Prof. Kaloki): Hon. Letimalo, the Minister is on the Floor! He is contributing.

**The Minister for Transport** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, this House needs to appreciate that the matter of currency and management of the economy that we are attempting to trivialize through all these interruptions is a very complex matter that affects us all. The more we---

*(Mr. Letimalo stood up in his place)*

**The Temporary Deputy Speaker** (Prof. Kaloki): Hon. Letimalo, do you have a point of order?

**Mr. Letimalo:** Yes, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Prof. Kaloki): All right! Let us hear it.

**Mr. Letimalo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Can the Mover be called upon to reply?

**The Temporary Deputy Speaker** (Prof. Kaloki): Mr. Kimunya, please, proceed!

**The Minister for Transport** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, if hon. Members are serious, it will be very important that we continue on this.

**The Temporary Deputy Speaker** (Prof. Kaloki): Order! Hon. Members, this is a timed Motion. It is supposed to be debated over two hours. Therefore, let hon. Members continue to debate and ventilate on the same.

Mr. Kimunya, proceed!

**The Minister for Transport** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, I think it is important for Members to appreciate that when a private Member brings a Motion he or she is given two hours. Let us ensure that all Members can contribute within those two hours so that a final decision is made based on the contributions done on the Floor of the House. That is why we prioritize it.

It is important that we appreciate the fact that what is happening to our currency is not unique to Kenya. You need to look at what is happening to the Kenya Shilling versus the Uganda Shilling and the Kenya Shilling versus the South African Rand, the Kenya Shilling versus the Tanzanian Shilling and then you will appreciate that the Kenya Shilling and Tanzanian Shilling have moved the same way. What is happening is that all our African currencies are depreciating against the dollar. The European currencies are depreciating against the dollar because of factors that are outside.



Mr. Temporary Deputy Speaker, Sir, the important thing is to appreciate that if this Committee was just required for Members to appreciate the complexities of the exchange rate mechanisms, to appreciate what happens in terms of determining the prices of currencies, to appreciate how inflation is managed and the factors that affect inflation, then I would be saying, let us have this Committee. Indeed, we need to take the entire House through a whole session on what is happening in terms of our currencies, inflation and exchange rate because there are some actions we take in this House that actually fuel inflation. Members will remember that one of them is that we are constantly agitating for higher wages. We are constantly approving actions by unions like we recently did with the teachers. The impact of that is obviously that with higher wages, we end up with more money available and it pushes inflation in technical terms. So long as we have more money chasing too few goods we are going to have inflation.

As I am talking now, there is an issue about university lecturers. They are agitating for more money. This money must come from somewhere. We are not producing and Mr. Mungatana brought it out very well. We are exporting so little compared with the imports. So long as we continue in that situation where we import too much and demand too much, inflation will go up. As leaders these are some of the things that we need to look at. We need to look at them and ask what our responsibility is here. That responsibility will not necessarily come through select committees. I hope and I said that if the select committee is for purposes of Members educating themselves in terms of all these issues; to build on the work that has been done by the Ababu Namwamba Committee in terms of cost of living, then one can say it is a welcome idea. However, they must remember that there is no one-size-fits-all in this process.

**Mr. Mbadi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is it in order for the Minister to reduce the substance of this Motion by saying that these select committee members are just going to educate themselves when if you look at the membership of this Committee some are even more educated than the hon. Minister talking?

**The Minister for Transport (Mr. Kimunya):** Mr. Temporary Deputy Speaker, Sir, I do not want to challenge the qualifications of the Committee but I believe one of the reasons the Committee is looking at this is to inquire and understand the issues that lead to inflation. That is what I am saying. The Committee should educate itself and the House on these matters.

Mr. Temporary Deputy Speaker, Sir, the only choice we have in this country in matters of inflation is, we must produce more. Whenever we produce maize, what happens? At harvest season, there is agitation in this House that the price of maize must be increased so that the Government must pay Kshs4,000.

So, how do we deal with inflation when we, as leaders, are the ones saying when we have a glut of one product that we must buy at more expensive prices? These are the factors that are with us. You do not need a select committee to tell you that immediately you start agitating for higher prices of maize, that leads to *unga* being more expensive because the manufacturer who buys that maize at Kshs4,000 has to recover his cost. We need to start getting ourselves into realizing that as leaders we are part of the problem. I hope that the Committee on Finance, Planning and Trade has already looked at all these things, and will bring us a report to complement what Mr. Namwamba Committee on the cost of living has done.

Mr. Temporary Deputy Speaker, Sir, the other thing that we need to look at---

**Mr. Ogindo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I was keen when the Minister started talking. He started talking at 13 minutes past the hour. There is rigging going on here!

*(Applause)*

The Standing Orders say that the speakers be timed, and it is important that the speakers are timed accurately.

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Mr. Ogindo! You are completely out of order! The clerks-at-the-Table are competent enough to know how to keep time.

Continue, Mr. Kimunya.

**The Minister for Trade** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, the other thing that we need to start thinking about is when you look at what is happening to the economies around us. People have mentioned Rwanda, Ethiopia and Uganda; one thing that we must ask ourselves, as leaders, is why an investor prefers to go to our neighbour instead of coming to Kenya. One of the things people will tell you is that the cost of labour in this country is exorbitant. I was in Ethiopia on Monday and I looked at what they are doing, and they were all telling me the fact that people are going there to invest is because Kenya is very expensive. All these horticultural growers and flower businesses are moving to Ethiopia because of the low production costs there. We are losing our competitive advantage, as Kenya, although we are saying that we are a major economy. We are losing our competitiveness because our labour is expensive. As leaders we have a responsibility to see what it is we need to do to bring down the cost of labour; we have a huge population and we are not going to reap population dividend, so long as our people make demands and become very expensive.

*(Several hon. Members stood up in their places)*

**Mrs. Odhiambo-Mabona:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Going by the mood of the House, would I be in order to ask that the Mover be called upon to respond? This is a standing tradition of the House; the new rules that we are being told about today are pretty strange!

*(Applause)*

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Mrs. Odhiambo-Mabona! Proceed, Mr. Kimunya!

*(Loud consultations)*

**The Minister for Trade** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, thank you for your protection. The point we are making, and we need to be serious as leaders---

*(Several hon. Members stood up in their places)*

**Hon. Members:** We are serious!

**The Minister for Trade** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, if we have to attract direct foreign investments, if we have to attract more dollars into this economy as we did between 2003 and 2007, and even when we had our troubles in 2008, it is only by making this country attractive to foreign investors.

*(Several hon. Members stood up in their places)*

**Mr. Ogindo:** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Mr. Ogindo!

**The Minister for Trade** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, we can only do that by ensuring that this country attracts in more tourists; they are looking at our leaders. These are the things---

**Mr. Ogindo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The issue that is prolonging this debate---

**The Temporary Deputy Speaker** (Prof. Kaloki): Are you on a different point of order?

**Mr. Ogindo:** Yes, Mr. Temporary Deputy Speaker, Sir. This is very critical. The issue was that this matter is already with the Committee on Finance, Planning and Trade. I am aware that the Chair is the Vice-Chair of that Committee; this makes the Chair have an interest in this matter.

*(Applause)*

Could you consider giving the Chair to a more non-partisan person?

*(Laughter)*

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Mr. Ogindo! You are completely out of order! The Chair is here as a Member of the Speaker's Panel and I am competent to make a decision.

Mr. Kimunya, conclude your remarks.

*(Several hon. Members stood up in their places)*

**The Minister for Trade** (Mr. Kimunya): Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to oppose the Motion.

## ADJOURNMENT

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, hon. Members! It is now 12.30 p.m. and we will have an additional 40 minutes on this Motion next time the House reconvenes. The House, therefore, stands adjourned until this afternoon at 2.30 p.m.

The House rose at 12.30 p.m.