

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 27<sup>th</sup> July, 2011

The House met at 9.00 a.m.

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

### PRAYERS

### PAPERS LAID

The following Papers were laid on the Table:-

Abstracts of Accounts of the Town Council of Iten, Tambach, for the six-year period ended 30<sup>th</sup> June 2001 and the year ended 30<sup>th</sup> June 2004 and the certificate thereon by the Controller and Auditor-General.

Abstracts of Accounts of the County Council of Mandera for the seven years period ended 30<sup>th</sup> June 2003 and the certificate thereon by the Controller and Auditor-General.

Abstracts of Accounts of the Town Council of Ukwala for the two-year period ended 30<sup>th</sup> June 2001 and the certificate thereon by the Controller and Auditor-General.

Financial Statement of the Town Council of Mwingi for the year ended 30<sup>th</sup> June 2009 and the certificate thereon by the Controller and Auditor-General.

Abstract of Accounts of the Town Council of Chepareria for the year ended 30<sup>th</sup> June 2007 and the certificate thereon by the Controller and Auditor-General.

Abstract of Accounts of the Town Council of Suneka for the year ended 30<sup>th</sup> June 2007 and the certificate thereon by the Controller and Auditor-General.

Abstracts of Accounts of the County Council of Mandera for the two years ended 30<sup>th</sup> June 2005 and the certificate thereon by the Controller and Auditor-General.

Abstracts of Accounts of the County Council of Busia for the six years ended 30<sup>th</sup> June 2003 and the certificate thereon by the Controller and Auditor-General.

Abstracts of Accounts for the County Council of Lwanda for the two years ended 30<sup>th</sup> June 2006 and the certificate thereon by the Controller and Auditor-General.

Abstract of Accounts of the Town Council of Port Victoria for the year ended 30<sup>th</sup> June 2005 and the certificate thereon by the Controller and Auditor-General.

*(By the Minister for Medical Services on behalf of  
the Deputy Prime Minister and Minister  
for Local Government)*

### QUESTIONS BY PRIVATE NOTICE

**The Temporary Deputy Speaker** (Mr. Ethuro): Question No.1 by Private Notice!

MEASURES TO CURB SPREAD OF *EBOLA* VIRUS TO KENYA

**(Mr. Mbuvi)** to ask the Minister for Public Health and Sanitation:-

(a) What precautionary measures is the Government taking to ensure that the deadly *Ebola* virus, which has been reported in Kampala, Uganda, recently, does not spread to Kenya?

(b) How much money has the Government set aside for curbing the spread of the disease to Kenya?

**The Temporary Deputy Speaker** (Mr. Ethuro): Mr. Mbuvi is not here!  
Next Question!

EXTENT OF INTERVENTION BY KENYA RED CROSS  
DROUGHT MITIGATION/RELIEF EFFORTS

**(Mr. Sirat)** to ask the Minister of State for Special Programmes:-

(a) To what extent is the Kenya Red Cross Society supplementing the Government efforts in drought mitigation and the distribution of relief food to persons affected by drought and famine in the country and who is the society accountable to?

(b) What percentage of the national and international emergency relief appeal has been realized so far and how much has been utilized in the country and could the Minister table a detailed proof of collection and expenditure?

(c) Could the Minister confirm that the organization is putting up five-star Hotels in Nairobi, Nyeri and Eldoret and has acquired more than 3,000 acres of land in Mlanjo in Tana River while Kenyans are dying of hunger and, if so, clarify whether this is part of the organization's core mandate?

**The Temporary Deputy Speaker** (Mr. Ethuro): Mr. Sirat also not here?  
Next Question!

KILLING OF DAVID NGUGI NJUNG'E IN NAROK TOWN

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

(a) Could the Minister explain the circumstances surrounding the brutal killing of one Mr. David Ngugi Njung'e in Narok Town on Tuesday, 14<sup>th</sup> June, 2011?

(b) Can the Minister confirm that Mr. Joseph Kongo Njung'e, a brother to the deceased, had reported on 20<sup>th</sup> January, 2011 at Narok Police Station that the deceased had been receiving death threats and, if so, what action was taken pursuant to the report?

(c) What urgent steps is the Minister taking to boost security and guarantee safety to the residents of Narok Town, its environs and to all Kenyans in general?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): Mr. Temporary Deputy Speaker, Sir, I seek your indulgence to answer this Question on Thursday afternoon or next week. This is because I do not have an answer right away.

**Mr. Mwathi:** Mr. Temporary Deputy Speaker, Sir, I am surprised to hear that the Assistant Minister has no answer and he has no reason as to why he has no answer. I think there should be a reason for that! I seek your indulgence to find out why there is no answer! I filed this Question about a month ago!

**The Temporary Deputy Speaker** (Mr. Ethuro): I agree with the hon. Member. Mr. Assistant Minister, is there any reason why you do not have the answer?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): Mr. Temporary Deputy Speaker, Sir, we have a schedule of responsibilities. I have just seen this Question now and I know it ought to be answered by Mr. Ojode. If I had been given the answer, I would have answered it. However, I do not have it. This is because this is under his schedule and he is not around. That is why I am seeking for time to be given an answer because I do not have one now.

**The Temporary Deputy Speaker** (Mr. Ethuro): Mr. Mwathi, the Chair has information that Mr. Ojode was travelling out of the country. So, I sympathize with the Assistant Minister when he says that he has just seen the Question. By virtue of it being a Question by Private Notice, you know it is sometimes a bit urgent. Let us grant them up to next week.

**Mr. Outa:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Does it mean that if Mr. Ojode is not in the House, there will be no answer for Members of Parliament?

**The Temporary Deputy Speaker** (Mr. Ethuro): Definitely, that is not the case! However, if the Assistant Minister requests, just like a Member can request that a Question be deferred because of commitment elsewhere, once the communication has been made to the Chair and the Chair is satisfied that there is a basis for that; and the fact that the Assistant Minister cannot answer the Question today because he would have been assisted by the other Assistant Minister, let us allow that.

**Dr. Khalwale:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not want to contest your direction. However, if you look at part “c” of the Question, the Member is asking what steps the Minister is taking to boost security and guarantee safety to residents of Narok Town and its environs and to all Kenyans in general. The hon. Member has told us that he filed this Question by Private Notice one month ago. In view of part “c”, the Chair should take more stern action against the Government! It then means that probably the Member should be allowed to file more Questions in relation to this insecurity because probably more people have died over the last four weeks.

**The Temporary Deputy Speaker** (Mr. Ethuro): While the Chair agrees with hon. Khalwale, you will also remember that the House has been on recess and so, that period has quite elapsed because you are talking of 14<sup>th</sup> June. These are the realities in which we operate, but you have made your point. Mr. Minister, I think your argument is that you can still guarantee the security that the hon. Member is asking for, even while you are waiting to answer this Question. Perhaps, instead of Thursday, maybe you should bring the answer on Tuesday next week.

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

Hon. Members, we have not prosecuted a single Question and so, let us not entertain more points of order.

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): Mr. Temporary Deputy Speaker, Sir, I just have to say that we have scheduled responsibilities in the Ministry of State for Provincial Administration and Internal Security. I deal with Questions to do with Provincial Administration while hon. Ojode deals with all police Questions. That is why he is on the Floor all the time and not for other reasons. I know that there is collective responsibility but we must have the understanding. I have just seen this Question. I am going to answer another Question for hon. Ojode in the afternoon because I have an answer and have been briefed. I have not seen this one. That is all I am saying.

Mr. Temporary Deputy Speaker, Sir, with regard to the issue of security in Narok and other parts of Kenya, I can guarantee that we will make effort to ensure that Kenyans are safe.

*(Question deferred)*

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

**The Temporary Deputy Speaker** (Mr. Ethuro): Hon. Mwathi, let that matter rest there!

## ORAL ANSWERS TO QUESTIONS

*Question No.1011*

### PROVISION OF MOTORBIKES TO CHIEFS

**Mr. Kiptanui** asked the Minister for Provincial Administration and Internal Security:-

(a) whether he is aware that the Government promised to provide motorbikes to chiefs in the country; and,

(b) why he has not implemented the undertaking and when will it be implemented.

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

(a) Yes, I am aware.

(b) The Government is in the process of implementing the undertaking to provide motorbikes to chiefs. In 2008, the Ministry procured and distributed to provinces a total of 36 motorbikes to be distributed to chiefs. In the last Financial Year, 2010/2011 the Ministry procured an additional 135 motorbikes. The motorbikes will be distributed as soon as their registration is completed. The implementation of the undertaking will be continued in line with budgetary allocations from Treasury.

**Mr. Kiptanui:** Mr. Temporary Deputy Speaker, Sir, as much as I would like to thank the Assistant Minister for saying that he is aware of that programme, he has said that the Ministry is planning to purchase 135 motorbikes for chiefs. The Assistant Minister should be aware that we have 210 constituencies with over 2,000 chiefs. These 135 motorbikes will just go to one district. What programme does the Ministry have to ensure that over 2,000 chiefs are given motorbikes?

**Mr. Lesrima:** Mr. Temporary Deputy Speaker, Sir, as I said, we will continue to implement the programme as we get budgetary allocations. Already, we have procured motorbikes during the last financial year and there are 428 more motorbikes on the way coming. This will now add up to 563 motorbikes. I am aware that these are not adequate, but this is just the beginning.

**Mr. Ogindo:** Mr. Temporary Deputy Speaker, Sir, I think the Assistant Minister is not serious in the manner in which he is answering this Question. The Deputy Prime Minister and Minister for Finance, in his Budget Speech, for 2010/2011, said that he had allocated funds to buy motorized bicycles for chiefs and youths to enhance security. A motorbike today would cost about Kshs80,000. One hundred motorbikes would cost about Kshs8 million. In my constituency, we have 26 chiefs. If you multiply that by about 210, we have about 4,000 chiefs. At the rate at which the Assistant Minister is moving, when are we really going to realize this policy? Could he confirm how much was actually allocated in the last financial year?

**Mr. Lesrima:** Mr. Temporary Deputy Speaker, Sir, yes, in the Speech, the Minister did promise that he would provide funds but as far as I am concerned, no funds were allocated. We are using Recurrent Expenditure to procure these motorcycles, but we do hope that---

**Mr. Ogindo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Minister in order to mislead the House, when in paragraph 35 of the Budget Speech by the Minister for Finance, he said:-

“Mr. Speaker, we all know that adequate security is essential for achieving the objective of Vision 2030. For this reason, the Government will continue to fully support our security agencies in order to ensure that individuals, communities and investors are well secured. In this regard, the Government has decided to enhance community policing by engaging our youth and work under the guidance of regular police and in collaboration with the chiefs to strengthen security at the constituency level. In this regard, I have allocated funds to support this initiative, including funds to purchase motorized bicycles for the use by local chiefs and youths engaged in community policing.”

Mr. Temporary Deputy Speaker, Sir, is the Assistant Minister in order to mislead the House that there were no funds allocated when the Deputy Prime Minister and Minister for Finance actually allocated the funds?

**The Temporary Deputy Speaker (Mr. Ethuro):** Order, hon. Ogindo! The Assistant Minister has not contradicted himself. He conceded that the Deputy Prime Minister and Minister for Finance made the Speech which you have read, but did not allocate the real money. So, there is no contradiction.

**Mr. Washiali:** Mr. Temporary Deputy Speaker, Sir, assuming that the Assistant Minister is right and they are going to buy motorbikes for 135 chiefs, which criteria is he

going to use to identify those chiefs who would need those motorbikes? In Mumias, we have 15 chiefs and all of them would need motorbikes.

**Mr. Lesrima:** Mr. Temporary Deputy Speaker, Sir, I have just said that we have already 135 motorbikes at the Administrative Police Training College (APTC) awaiting registration. On the way also, we have another 428 motorbikes. We will ensure that there will be motorbikes, at least, to begin with in every constituency. We will also want to consider areas where transportation is very difficult, particularly in large districts and provinces. We will consider areas where the roads are not good and motorcycles can be maneuvered through those difficult areas. We will leave it at the discretion of the District Commissioners to determine further criteria but, obviously, we will begin with senior chiefs who will supervise the rest of the chiefs in the process.

**Mr. Njuguna:** Mr. Temporary Deputy Speaker, Sir, could the Minister assure this House that the Ministry is keen in full implementation of this programme because, in my view, what the Ministry is doing is very partial?

**Mr. Lesrima:** Mr. Temporary Deputy Speaker, Sir, yes, I can give that assurance, but I think the hon. Members must also accept that in 2008, we had 70 districts and today, we have 300 districts. So, we got a bit overwhelmed, but we will continue, with your support, to increase resources to speed up this programme.

**Dr. Khalwale:** Mr. Temporary Deputy Speaker, Sir, allow me to pass my condolences to the families of Shikoti Sub-Location in Kakamega, who two nights ago, were attacked by a gang of ten gangsters wearing police uniforms, thanks to this Assistant Minister who is sleeping on the job.

Mr. Temporary Deputy Speaker, Sir, I want to thank him for saying that he intends to buy motorbikes for these chiefs. But more importantly, the security we have in our villages in the rural areas is thanks to the organized community policing, which in Kakamega we call *Viji*. What plans does the Assistant Minister have to ensure that vigilante youth are the ones who get the priority of getting these motorbikes, because they are the ones who are on the run the whole night?

**Mr. Lesrima:** Mr. Temporary Deputy Speaker, Sir, we will begin with chiefs and then consider groups that are involved in community policing.

**Mr. Kiptanui:** Mr. Temporary Deputy Speaker, Sir, I would like to know from the Assistant Minister whether, in that programme, he has included purchase of full gear, jackets, reflectors and helmets for the chiefs.

**Mr. Lesrima:** Mr. Temporary Deputy Speaker, Sir, those accessories are essential. There will also be a requirement that the equipment should be treated as Government vehicle. Chiefs will also be trained and properly licenced before riding those motorcycles.

*Question No.1043*

STALLING OF REFURBISHMENT OF EMBU  
PROVINCIAL HOSPITAL

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

(a) whether he is aware that M/s Unispan Construction Company Limited, which was awarded the contract to refurbish Embu Provincial

General Hospital, is yet to complete the works despite the lapse of the contract period in June 2010;

(b) whether he could give the reason for the delay; and,

(c) what measures he will take to stop further delay of the project and ensure the contractor does not abandon the works before completion.

**The Minister for Medical Services** (Prof. Anyang'-Nyong'o): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) I am aware that M/s Unispan Construction Company is yet to complete the refurbishment works for Embu Provincial Hospital. However, the contract period has not yet elapsed.

(b) The contract period commenced on 21<sup>st</sup> June, 2010. So far, the contractor has done 16 per cent of the works with 53 percent of the contract period elapsed. The delay is solely attributable to factors on the contractor's side. The reason he has given for the delay is that he had expected to be granted an advance payment of 10 percent of the contract sum as mobilization fee, which the Ministry declined to pay.

(c) Following lack of action to fast track implementation despite many complaints by the Government side, the contractor was given a default notice by the Chief Architect, Ministry of Public Works, on 12<sup>th</sup> July, 2011. Consequent actions of the default notice include valuation of the work already done for purposes of settlement ahead of termination of the contract and fresh award to a more competent firm.

However, the contractor wrote back to the Ministry on 22<sup>nd</sup> July, 2011, requesting to be given an additional 21 days to mobilize funds to fast track implementation. His request was granted and now he has until 12<sup>th</sup> August, 2011 to demonstrate the capacity to fasttrack implementation, including proof that he has obtained a credit facility from his bankers as he averred in his letter. Failure to demonstrate this ability will lead to termination of the contract and a fresh award to another firm.

As it is clear from the explanation, the concern of the Ministry is not that the contractor will abandon the project before completion. Rather, it is that the Ministry is concerned over slow implementation. In this regard, the contractor has been put on default notice.

**Mr. Kathuri:** Thank you, Mr. Temporary Deputy Speaker, Sir. While I appreciate the concern of the Ministry, some issues have come to light: This question was filed in June. You can see that default notice was issued in July. This is a clear indication that it was an afterthought. They thought of terminating the contract since the matter had been raised. Why would the Ministry wait until we raise a Question? Even after raising the Question, I do not see the commitment of the Ministry of Works in this. It is the Ministry of Medical Services which is involved and yet, it is the Ministry of Works which has failed to issue the default notice. Could he tell us how much has been paid?

**Prof. Anyang'-Nyong'o:** Mr. Temporary Deputy Speaker, Sir, we are very much concerned about the construction in Embu District Hospital because the project has been on for a long time. It stalled in 2004 and we revived it in 2008. When it was revived, the terms of the contract had to be changed substantially due to the elapsed time and because of the other development that had already taken place in the hospital. Therefore, what had been intended to be built had to change in content. Nonetheless, we moved with speed and the works started, as I have said, in June, 2010.

Once a contract is signed, some conditions need to be met. Before you terminate a contract with a contractor, you must give them notice and some time. Once the contractor responds positively requesting to be given some time to mobilize enough funds to continue with the construction, it would be arbitrary to terminate the contract without listening to the side of the contractor. That is why we are saying that if the contractor can proof before 12<sup>th</sup> August, that he is capable of continuing with the works, then we will allow him to continue. However, if he cannot, we will be compelled to terminate the contract and issue a new contract to another competent contractor.

**Mr. Mwathi:** Thank you, Mr. Temporary Speaker, Sir. The Minister is doing very well in terms of explaining the issue of the Ministry of Public Works. However, 12<sup>th</sup> August will come in about two weeks. I am interested in knowing, because, definitely, if this project is not completed in good time, the Government is likely to incur losses. What percentage of work is complete as compared to the funds expended to date?

**Prof. Anyang'-Nyong'o:** Mr. Temporary Deputy Speaker, Sir, only 16 percent of the works has been done by the contractor. However, we have made sure that according to the contract document---

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Minister, you have already responded to the question.

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

**The Temporary Deputy Speaker** (Mr. Ethuro): The Minister, in his written answer, had already read that section. He does not need to repeat it again.

**Mr. Mwathi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. The Minister did not reply to what I had asked. He read the first part and, with all due respect, you stopped him. He was to give us the percentage of the money spent.

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, hon. Mwathi! That part of the question was answered.

**Mr. Mwangi:** Mr. Temporary Deputy Speaker, Sir, while we appreciate that the Minister has put some effort to explain the work done, the work started in 2004, if I got him right. The works have continued in 2008, 2010, 2011 and will move on to 2012. Could the Minister state, specifically, how much money has been allocated for that project?

**Prof. Anyang'-Nyong'o:** Mr. Temporary Deputy Speaker, Sir, I am quite prepared to give all the facts to the Member of Parliament so that we can read from the same page. The contract commenced on 21<sup>st</sup> June, 2010. The contract period was 104 weeks. The completion date is expected on 21<sup>st</sup> June, 2012. The contract expiry date is 21<sup>st</sup> January, 2013. The contract sum is Kshs630,479,744 only. Payment certified to date is Kshs35, 562,766 only. The percentage of total certified to date is only 5.6 per cent. Contract period has elapsed by 55 weeks. The contract period lapsed, therefore, 53 per cent should be done. Therefore, work done is only 16 per cent in which case the Ministry is quite safe because the money we have paid is commensurate with the work done.

**Mr. Kathuri:** Mr. Temporary Deputy Speaker, Sir, this is a double-edged sword. If the contractor has not been paid, that is he has only been paid 5 percent, then how does the Ministry expect him to continue? Two, why would the architect wait for that long before he issues the certificates? Could he also have been compromised to try and frustrate the contractor?



**Prof. Anyang'-Nyong'o:** Mr. Temporary Deputy Speaker, Sir, if the architects from the Ministry of Public Works were compromised to frustrate the contractor, the contractor would be the first person to let the Ministry know that he is being frustrated. This has not been the complaint of the contractor. The contractor started by demanding that he be paid 10 percent mobilization fee, which was not part of the agreement, and the Ministry could not contravene its own agreement with the contractor. As I have said, since to date we have paid a certified amount of Kshs35,562,766, which is commensurate to the amount of work the contractor has done, the Ministry is quite safe. The contractor himself has written to us appealing that we give him some time to mobilize funds to continue with the work. Therefore, the relationship between the Ministry and the contractor is subject to the contract. The only person who has contravened that contract is the contractor by not performing his percent of work according to the time period that has elapsed. So, the hon. Member of Parliament should be quite happy to know that, one, we have safeguarded the money that has been budgeted for that project. Two, we shall make sure that this project is completed according to the sum of money that is set aside. No money will be wasted because we would rather pay the contractor for what he does and not for what he wishes to be paid.

**The Temporary Deputy Speaker** (Mr. Ethuro): Next Question by hon. Bahari

*Question No.963*

LEVEL OF GIRL-CHILD ENROLMENT  
IN MARSABIT/ISIOLO COUNTIES

**The Temporary Deputy Speaker** (Mr. Ethuro): Is Mr. Bahari not here? We will leave his Question until the end. Let us move on to the next Question by hon. Mututho.

*Question No.934*

INFESTATION OF DAMS WITH CROCODILES

**Mr. Mututho** asked the Minister for Forestry and Wildlife:-

(a) whether he could confirm that artificial water masses of Kiambere Dam, Masinga Dam, Kindaruma Dam and Kamburu Dam are infested with crocodiles without provision for food chain, resulting in massive attacks on humans and livestock as a substitute;

(b) what steps he is taking to feed the crocodiles, re-locate them or entirely eliminate them to stop the reptiles from preying on humans and livestock; and,

(c) what the environmental, commercial or cultural value of the crocodiles in the artificial water masses is.

**The Assistant Minister for Forestry and Wildlife** (Mr. Nanok): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) The water masses that also include Kiambere Dam, Masinga Dam, Kindaruma Dam and Kamburu Dam are part of the natural Tana River ecosystem. Crocodiles which have existed in this ecosystem for hundreds of years have always fed on birds, fish,

turtles, frogs and mammals, which have co-existed with them as their natural habitat. This has been and remains their natural food supply chain. Crocodiles do not attack humans and livestock as a substitute for lack of food chain in this habitat, but do so only when threatened or feel endangered by human or other animal species who encroach on their natural territories.

(b) My Ministry has no intention of feeding the crocodiles found within these dams as the reason for the conflict currently experienced is not lack of food for the animals, but primarily due to human encroachment on their natural habitat. With a view to address the issue of crocodile/human conflict in the dams, my Ministry held a stakeholders meeting in Kiambere on 20<sup>th</sup> April this year, and a comprehensive plan of action to arrest the menace of crocodile attacks on humans and livestock was agreed upon. The action plan is currently being implemented.

(c) The environmental, commercial and cultural value of the crocodiles found with the natural Tana River ecosystem is as follows.

(i) Environmental value - Crocodiles are at the tertiary level of the food chain. They clean the dams by clearing dead animals in the water. They facilitate nutrient cycling and support regeneration of fish population in the dams.

(ii) Socio-cultural value – They are natural heritage for the country. They are an anesthetic attraction, a population animal ecotourism.

(iii) Commercial value – The skin is highly valued in the leather industry for production of expensive shoes, belts, handbags and other leather products. The law allows for only export of the skins as crocodiles are listed as protected animals, and dealing with wildlife in the country is currently outlawed by a legal notice of 1978. The skin costs between US\$20 and US\$200. Their meat is highly valued and there are outlets approved to sell crocodile meat which is sourced from licensed crocodile ranches. The meat costs between Kshs280 to Kshs380 per kilogramme.

The eggs collection as authorized by the Kenya Wildlife Service (KWS) along the River Tana system is a community enterprise, and the communities involved, together with the respective local organizations, sell for revenue at a price of Kshs35 per egg.

**Mr. Mututho:** Mr. Temporary Deputy Speaker, Sir, I seek your indulgence so that I can inform the Assistant Minister that, first of all, the answer lacks scientific basis. It is misrepresentation; when you claim that crocodiles attack human beings on being provoked, at what level does a woman drawing water, for instance, provoke a crocodile? There are 23 species of crocodiles and they are known. Out of the 23---

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, hon. Mututho! First, your job is to ask questions and not informing the Assistant Minister. Two, you had said that the Assistant Minister's answer was not scientific. What is scientific in who attacks who? Proceed!

**Mr. Mututho:** Mr. Temporary Deputy Speaker, Sir, in a live transmission like this one, when an Assistant Minister avoids very basic science in the ecology of crocodiles, it is shocking. There are 23 species of crocodiles. Out of the 23 species, eight species are known to be man-eaters. I will read to him if he has forgotten his textbook theory the species that attack human beings. Among them is the Nilotica, which is the one that is prevalent in Kiambere. On construction of the dam, this---

**The Temporary Deputy Speaker** (Mr. Ethuro): Order! The Chair really appreciates your scientific knowledge; at least on that bit you have done research, but this is Question Time. What is your question?

**Mr. Mututho:** Now, I will ask my question. Is the Assistant Minister aware that of the 23 species the *Collosus*--- The Nile crocodile, commonly known as *Niloticus*, the American alligator commonly known “Mrs. P. Ensis”--- Out of the eight species, which one is prevalent in Kiambere and how many deaths have been caused by this *Crocodilus Niloticus*?

(Laughter)

**Mr. Nanok:** Mr. Temporary Deputy Speaker, Sir, hon. Mututho has tried to challenge my knowledge of this subject and, indeed, I want to respond.

Basically, you will have to realize that the six dams along this particular stretch of area constitute 173 square kilometres. From the known count, we have only 256 crocodiles here of the *Niloticus* type. In terms of density per kilometer square, we have about five.

Despite the fact that there are fewer crocodiles in the dams, the population living around has also increased. People fetching water from it have been occasionally attacked by crocodiles. This has been a big challenge to the Ministry. One of the things that my Ministry and other stakeholders such as KenGen and Tana and Athi Rivers Development Authority (TARDA) have held a stakeholder’s meeting in Kiambere. I also had a meeting with councillors in my office to look at the strategies of how those communities around those dams can be provided with water. That will be the only permanent solution.

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Assistant Minister! This is irrelevant to the Question. You have already said it is nilotica and I think the Member is satisfied.

**Ms. Karua:** Mr. Temporary Deputy Speaker, Sir, now that the Assistant Minister has agreed that the nilotica species is the one that is bothering the people, has he considered liaising with the Ministry to Water and Irrigation to ensure that residents of Kiambere get fresh drinking water to avoid this situation? After all, they are entitled to water after having given their land to house the dams that provide power to the country.

**Mr. Nanok:** Mr. Temporary Deputy Speaker, Sir, we have liaised with all the stakeholders, including the Ministry of Water and Irrigation, TARDA and KenGen. The budget we have been looking for to address this issue in the longer term is about Kshs130 million. We are still in discussion to raise this money. But my Ministry through the Kenya Wildlife Service (KWS) has committed about Kshs5 million towards this. The other partners have not yet provided the amount that is required. Interestingly, we had also looked for a temporary solution to put up a chain link in some of the areas where the local communities are fetching water. However, we realized that the chain link was also going to lock in other different animals such as hippos. So, that was shelved to look for the long-term solution. As of now, the discussion is going on and we hope to come up with a long-term solution.

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Assistant Minister! This House does not expect Ministers to continue with discussions forever. We expect

solutions to the problems facing our people. It would appear to me that they go there to fetch water. So, provide water to them.

**Mr. Kiuna:** Mr. Temporary Deputy Speaker, Sir, I would like the Assistant Minister to tell this House the measures they have put in place to make sure that all the wildlife, not only in Kiambere, but also in other national parks, are well reserved within their areas. At the Nakuru National Park, wildlife have come out of the national park and invaded the neighbouring settlements. We have been complaining about this issue for a long time.

**Mr. Nanok:** Mr. Temporary Deputy Speaker, Sir, there is quite a number of things we have done. You are well aware that we have about 2,600 rangers. Very recently, we recruited another 400 rangers who will be redeployed to support in wildlife protection.

Secondly, in some of the protection areas, we have been able to establish electric fences in a number of places, particularly around the national parks. We have also been able to conduct education awareness on the communities realizing that 80 per cent of the wildlife leave outside the protected areas. So, we, in the Ministry, are actually doing the best we can---

**Mr. Kiuna:** On a point of order, Mr. Temporary Deputy Speaker. Is the Assistant Minister in order to mislead this House by saying that they have put electric fence in many national parks, yet in Nakuru National Park, especially around Zakaria Gate, wild animals such as lions and leopards come out and invade Lari Division?

**Mr. Nanok:** Mr. Temporary Deputy Speaker, Sir, I am not misleading the House. But you will realize that the electric fence and polls need constant maintenance. Sometimes in areas that we have already established, they will need regular maintenance. So, if it is happening, we will take every precaution to make sure that animals are kept inside protected areas.

**Mr. K. Kilonzo:** Mr. Temporary Deputy Speaker, this Ministry does take seriously the issue of human life. Any time there is human-wildlife conflict, they tend to favour the animals more than human beings. The money which is required to solve this problem, according to the Assistant Minister is Kshs179 million. These conflicts have been happening from time to time. Why has he not budgeted for it? What is he doing with the emergency kit? Could he not look for that money to safeguard the people living around Kindaruma and Masinga dams?

**Mr. Nanok:** Mr. Temporary Deputy Speaker, Sir, hon. K. Kilonzo is misleading this House. I said the cost for ensuring safe water is Kshs150 million. The responsibility of providing water is an inter-ministerial responsibility for the Ministries of Water and Irrigation, Energy and Regional Development Authorities. Each stakeholder has a part to play. We have made contributions towards these efforts. Apart from that, my Ministry has put up a boat with five rangers who are patrolling those dams to make sure that any of the crocodile that is reported to infringe on areas where communities are fetching water is chased away.

**Mr. K. Kilonzo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Assistant Minister in order to tell this House that I am misleading it by just saying that the money required is Kshs170 million and yet, he has reduced to Kshs150 million? Is he in order to say that they cannot get that money on emergency basis to safeguard the lives of the people?

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, hon. Kilonzo. Definitely there is a difference between your figure and the Assistant Minister's figure. You are supposed to have gotten the figure from the Assistant Minister. So you are misleading the House in that respect.

**Mr. Mututho:** Mr. Temporary Deputy Speaker, Sir, I am tongue tied to ask the last question given the weight of this particular Question that over 300 women among them, one lady by the name Joyce Ruguru, who was a mother of two, woke up at 4.00 a.m. and went to fetch water one kilometre away and was attacked by crocodile at 7.00 a.m. and was found dead after six hours.

Mr. Temporary Deputy Speaker, Sir, the Assistant Minister has not requested the Treasury in this year's Budget to give him Kshs150 million. When will he do so that they can supply water to the residents of these three dams to avoid attacks by the crocodiles?

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, hon. Members! Mr. Nanok, as you respond, it is just being responsible. Even the Kenya Wildlife Service (KWS) has a corporate social responsibility to the people around those dams. So, let us get solutions from within the KWS, first, as we look even for more support. What water facilities are you going to avail to the communities around the dams?

**Mr. Nanok:** Mr. Temporary Deputy Speaker, Sir, we have made available Kshs5 million. On 20<sup>th</sup> April, 2011, we held a stakeholders' meeting so that all the other stakeholders who have a bigger stake in these dams, particularly KenGen and TARDA and the Ministry of Water and Irrigation avail sufficient funds to be able to do that job.

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

**The Temporary Deputy Speaker** (Mr. Ethuro): Mr. Mututho, the Assistant Minister is responding. Why can you not allow him to finish?

**Mr. Mututho:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Is he in order to negate his own answer which he gave on 14<sup>th</sup> April, 2011? I read this from the HANSARD Report. He said that the best practice would be, and I read:-

“However, the best thing we can do is to look for an option of putting boreholes around some parts of the dam and fencing off the area with chain link where people can access fresh water without being attacked”.

That was the best practice according to the Assistant Minister's own prescription on 14<sup>th</sup> April, 2011. Is he in order now to rise and negate that?

**The Temporary Deputy Speaker** (Mr. Ethuro): Was he responding to the same Question?

**Mr. Mututho:** He was responding to a Question asked by Mr. Kivuti on the issue of crocodiles.

**Mr. Nanok:** Mr. Temporary Deputy Speaker, Sir, I want to repeat it here. That is what I said but, after our technicians looked into it, they realized that the chain link is going to lock in even other animals apart from the crocodiles including the mammals. Because of the changing water levels, it was not seen as a feasible solution. You will have to realize that since 9<sup>th</sup> April, 2011 when we had the last attack, no other attack has happened against any human being. This means that we have taken all the precautions to ensure that we have a team that is there 24/7 on patrol as we discuss with other stakeholders about a permanent solution to provide water away from the dams.

**The Temporary Deputy Speaker** (Mr. Ethuro): Next Question by Ms. Karua!

*Question No.948*

NUMBER OF KENYANS WORKING IN UNITED ARAB EMIRATES

**Ms. Karua** asked the Minister for Foreign Affairs:-

(a) to inform the House how many Kenyans are working in the United Arab Emirates (UAE);

(b) whether he is aware that many Kenyans in Dubai are being denied work permits since some time in 2010; and,

(c) what he is doing to address the situation.

**Ms. Karua:** Mr. Temporary Deputy Speaker, Sir, I have not received a written answer.

**The Minister of State for Provincial Administration and Internal Security** (Prof. Saitoti): Mr. Temporary Deputy Speaker, Sir, it is for that reason that I do wish to ask the indulgence of this House to bring the answer on Tuesday next week.

**Ms. Karua:** Mr. Temporary Deputy Speaker, Sir, this is the second time that I am asking this Question. Last Wednesday, the Minister was said to be out of the country and now he is asking for next Tuesday without any apology for not coming with the answer. Nevertheless, since he looks like he is a little lost, I will accept the date of Tuesday.

**Mr. K. Kilonzo:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Whereas I do not want to be seen to be defending the Minister, is the hon. Member in order to insinuate an improper motive on this Minister; that he is looking lost yet he is very alert in this House?

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. K. Kilonzo! You are completely out of order! The Minister can defend himself! Hon. Minister, could you respond to the issues raised by Ms. Karua? The Chair is also aware that your predecessor sent a powerful delegation to the United Arab Emirates (UAE) at some stage over the same matter. So, information must be within the Ministry!

**The Minister of State for Provincial Administration and Internal Security** (Prof. Saitoti): Mr. Temporary Deputy Speaker, Sir, it is, indeed, true that the Minister who was there just before me actually sent a high level delegation to the UAE on matters similar to this one, but I want to inform the House that I have put in place a process to ensure that I get all the facts. I would not wish to come and present an answer which is misleading. The information that I have been getting is conflicting. I do not think that I would be doing justice to this honourable House by bringing an answer that I am not fully satisfied with. That is why I have requested that I do bring this answer on Tuesday next week and I am happy that Ms. Karua has agreed but the other one is a sideshow.

**The Temporary Deputy Speaker** (Mr. Ethuro): This Question will be deferred until Tuesday.

*(Question deferred)*

Next Question by the hon. Member for Molo!

*Question No.991*

TRANSFER OF LAND PARCELS FROM NJORO DISTRICT  
TO GILGIL DISTRICT

**Mr. Kiuna** asked the Minister for Lands:-

(a) why land reference numbers LR 4334, 4335, 4336, 4337, 4338 and 4339 East of Njoro Farms (Kiambogo Block 1) in Kianjoya Location of Lare Division, Njoro District, were transferred to Gilgil District;

(b) whether the said block could be transferred back to Njoro District; and,

(c) when the title deeds for the blocks will be issued to the respective owners.

**The Temporary Deputy Speaker** (Mr. Ethuro): Is there anybody who is aware of the whereabouts of the Minister for Lands? If he is not here, then we will revisit the Question later.

Next Question by hon. Member for Mumias!

*Question No.1005*

INSTALLATION OF LIGHTNING  
ARRESTORS IN SCHOOLS

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

(a) to inform the House what the Ministry's policy on emergency response to calamities arising from lightning in schools is; and,

(b) when the Ministry will install lightning arrestors in schools that have been struck by lightning, including Petros, Bumwende, Shibinga and Milimani Primary schools in Mumias Constituency.

**The Assistant Minister for Education** (Prof. Olweny): Mr. Temporary Deputy Speaker, Sir, I beg the indulgence of the House to give me more time to be able to bring an answer to this Question. I will bring the answer on Wednesday next week because so far, I do not have a good answer.

**Mr. Washiali:** Mr. Temporary Deputy Speaker, Sir, indeed, I had talked to the Minister but, considering that I have already received a letter from the Ministry of Education committing themselves on considering this cost in the third quarter of the Financial Year 2010/2011, I will expect that when the Assistant Minister comes with an answer, he will be telling us when the payments will be made.

**The Assistant Minister for Education** (Prof. Olweny): Mr. Temporary Deputy Speaker, Sir, that is why I am asking for more time. We all know that the Budget process is also not complete and this Question is very technical. The information needed here is very technical and has to be very exact and precise.

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Prof. Olweny! The Question is deferred to Wednesday.

**The Assistant Minister for Education** (Prof. Olweny): Yes, Wednesday next week in the morning.

*(Question deferred)*

**The Temporary Deputy Speaker** (Mr. Ethuro): Next Question by Mr. Cheruiyot!

*Question No.1013*

FAILURE TO PAY YOUTHS UNDER  
KKV IN KURESOI/MOLO DISTRICTS

**Mr. Cheruiyot** asked the Minister for Youth Affairs and Sports:-

(a) whether he is aware that more than 250 youths from Kuresoi and Molo districts, hired to plant seedlings in Mau Forest in March 2010 under The *Kazi Kwa Vijana* programme have not been paid their weekly dues since March 2011; and,

(b) whether he could explain terms of engagement for the youth and what led to their dismissal after planting 10,000 seedlings jointly with the members of the Armed Forces?

(c) what measures he will take to ensure that the anomaly is corrected and the youth are paid their dues.

**The Temporary Deputy Speaker** (Mr. Ethuro): Is the Minister for Youth Affairs and Sports not here? We will come back to it later.

*Question No.1033*

NON-INSTALLATION OF ROAD SIGNS/ MARKINGS  
ON KABATI-MARIIRA ROAD

**Mr. James Maina Kamau** asked the Minister for Roads:-

(a) why the contractor who did Kabati-Mariira Road did not install road signs or markings;

(b) when the road will be marked and road signs installed; and,

(c) when the contractor will also replace the water pipes destroyed during the construction in line with a previous commitment to do so.

**The Assistant Minister for Roads** (Mr. Kinyanjui): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) The contractor who repaired the Kabati-Mariira Road could not install the road signs or the markings since the final surface working had not been completed.

(b) The road signs and markings will be carried out during this Financial Year, 2011/2012.

(c) Lastly, the water pipes destroyed during the construction along the main road, that is D416, have been replaced. Those on the Kagia-Githunguri Road, that is Rural Road No.1, will be replaced during the Financial Year, 2011/202012.

**Mr. James Maina Kamau:** Mr. Temporary Deputy Speaker, Sir, I would like to thank the Assistant Minister for giving that short answer. But could he tell this House why the final surface work has not been completed and yet, that road was supposed to be completed two years ago? We also understand that the contractor has left the site.



**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, I want to acknowledge that we have had few challenges on that particular road. The road classified as D416 and E518 has a total of 48.3 kilometres. Part of it was unclassified road - that is Rural Road 1. The contractor was Butt Sarajevo and General Company who was awarded the contract at the sum of Kshs1,169,000,000. The contract period was 24 months commencing on 4<sup>th</sup> August, 2006. It was to end on 5<sup>th</sup> August, 2008. An extension period of 39 days was awarded and the new date of completion was set as 30<sup>th</sup> September, 2008. Road signs have been purchased, but have not been fixed due to the challenges arising from the conflicts the contractor had with the water and sewerage company, which have since been resolved. I want to assure the hon. Member that the delays arising from the Murang'a Sewerage and Water Company were part of the reason why the work was not completed on time. But I am happy to inform the House that the misunderstandings have since been resolved and the contractor, through our consultant, will ensure that the works are carried out to the expected standards.

Lastly, I also want to say that some cracks have developed on some sections of the road and remedial measures have already been given out. We hope that they will be completed in due course.

**Mr. Gitari:** Mr. Temporary Deputy Speaker, Sir, the Assistant Minister has said that the water pipes have so far been repaired. If you walk along most of our roads, you will see facilities and utilities being destroyed for the simple reason that they are not marked. What is the Ministry doing to make sure that those utilities and facilities are marked so that, in future, we can avoid them rather than destroy them? I believe that is where we get the variation order because of the destruction.

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, I could not agree more with the hon. Member. Indeed, we want to confirm that a significant amount of money is actually used every time we construct a road. Sometimes, we have to relocate power lines, water and other facilities like the sewerage system. It would be important if all the plans in the Government are aligned. The Ministry of Public Works, the Ministry of Energy - because of the power lines - and all the other players who have services along the road should work together. If that is done, we would save a lot. On Thika Road alone, we lost about four months because we could not have the services relocated in good time, leave alone the amount that we had to use. So, I want to agree with the hon. Member that, in future, it would be important to have all our plans in the Government aligned. I am aware that there is an initiative to ensure that, that is done. But more still needs to be done.

**Mr. James Maina Kamau:** Mr. Temporary Deputy Speaker, Sir, you have heard the Assistant Minister say that the road cost a whopping Kshs1.1 billion. He has also admitted that there are cracks and potholes and yet, that road has not been commissioned. What exactly is the Ministry doing? Are they serious? That is wastage of taxpayers' money! Again, he has misled this House by telling us that the pipes that were destroyed have been replaced. That is a lie! Could the Assistant Minister tell us what is happening because there is a lot of corruption in the Ministry. That is because Kshs1.1 billion is a lot of money and we are not getting value for our money.

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, I appreciate the sentiments by the hon. Member. But I will also request him to be honest. I did not say that we require a further amount. I said the total sum required is as I stated. I said that the road is

not complete and for all the defects that have already occurred there, we have already given instructions for remedial work to be done. Moreover, before the road is handed over to the Government, there is what we call the defect liability period. Within that period, any defects occurring on that particular road will be repaired by the contractor. So, we are within that period. There is no cause for alarm. We have some of the best consultants on that particular road.

**Mr. James Maina Kamau:** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Ethuro): What is it, Mr. James Maina Kamau? It had better be a point of order because you have already got your answer!

**Mr. James Maina Kamau:** Mr. Temporary Deputy Speaker, Sir, you have heard the Assistant Minister talking about defects. How can we expect defects on a road which has not been commissioned?

**The Temporary Deputy Speaker** (Mr. Ethuro): Mr. Assistant Minister, you may ignore that! Proceed!

**Mr. Kinyanjui:** Mr. Temporary Deputy Speaker, Sir, I fully concur with you. But like I said, the reason why we have the defect liability period is because, in any contract, not just in roads - even in any civil works - there is a possibility that once the contract has been completed, you may realize one or two places that require remedial action. That is within the legal agreement between the Government and the contractor. So, I will ensure that, that road is done to the satisfaction of the road users.

**The Temporary Deputy Speaker** (Mr. Ethuro): Hon. Members, we will now go for the second round of Questions. First Question by Private Notice!

## QUESTION BY PRIVATE NOTICE

### EXTENT OF INTERVENTION BY KENYA RED CROSS IN DROUGHT MITIGATION/ RELIEF EFFORTS

**Mr. Sirat:** Mr. Temporary Deputy Speaker, Sir, I beg to ask the Minister of State for Special Programmes the following Question by Private Notice.

(a) To what extent is the Kenya Red Cross Society supplementing the Government efforts in drought mitigation and the distribution of relief food to persons affected by drought and famine in the country and who is the society accountable to?

(b) What percentage of the national and international emergency relief appeal has been realized so far and how much has been utilized in the country? Could the Minister table a detailed proof of collection and expenditure?

(c) Could the Minister confirm that the organization is putting up 5-Star hotels in Nairobi, Nyeri and Eldoret and has acquired more than 3,000 acres of land in Mlanjo in Tana River, while Kenyans are dying of hunger and, if so, clarify whether this is part of the organization's core mandate?

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Sirat! You should apologise! You were not here when the Question was called.

**Mr. Sirat:** Mr. Temporary Deputy Speaker, Sir, I apologize for coming late. I beg to ask the Question by Private Notice. However, I do not have a written answer.

**The Temporary Deputy Speaker** (Mr. Ethuro): Minister of State for Special Programmes? Leader of Government Business! Any Minister?

**The Assistant Minister for Roads** (Mr. Kinyanjui: Mr. Temporary Deputy Speaker, Sir, I am sure that there must be a special reason why the Minister is not here. I beg that if it is right, the Question be deferred to another day so that we can respond to it.

**Mr. Mututho:** On a point of order, Mr. Temporary Deputy Speaker, Sir. From your previous rulings, Ministers who do not show up and do not offer explanations as to why they are not in to respond to Members' Questions, you have had all of their businesses deferred in this House. Could I invite you, with due respect, to suspend the operations of that Ministry until a suitable explanation has been given and the embargo lifted?

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, hon. Members! Mr. Mututho, if the Chair must apply the rules, he must apply them fairly. I should have dropped this Question because the hon. Member was not there. Questions by Private Notice do not even have a second opportunity.

*(Applause)*

So, if the Chair is magnanimous with the Back Bench, he must equally be magnanimous to the Front Bench. That is because it could also be probable that the Minister was there when the Question was called out and has since walked out. Since the hon. Member was not there, maybe, he left knowing that the Question had died. So, I will give the Government the benefit of doubt and I will postpone this Question to next Wednesday in the morning.

**Mr. Sirat:** Thank you, Mr. Temporary Deputy Speaker, Sir.

*(Question deferred)*

**The Temporary Deputy Speaker** (Mr. Ethuro): Yes, the Member for Molo!

**Dr. Khalwale:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I notice that you have just moved back to the Ordinary Questions. I want to remind the Chair that, the Chair has not commented on Question No.1 by Private Notice.

**The Temporary Deputy Speaker** (Mr. Ethuro): You are right Dr. Khalwale! The Member for Makadara for the second time!

#### MEASURES TO CURB SPREAD OF *EBOLA* VIRUS TO KENYA

**(Mr. Mbuvi)** to ask the Minister for Public Health and Sanitation:-

(a) What precautionary measures is the Government taking to ensure that the deadly *Ebola* virus, which has been reported in Kampala, Uganda recently, does not spread to Kenya?

(b) How much money has the Government set aside for curbing the spread of the disease to Kenya?

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

**The Temporary Deputy Speaker** (Mr. Ethuro): What is it Dr. Khalwale? I hope you are not imagining to be the Member for Makadara!

**Dr. Khalwale:** Definitely not, Mr. Temporary Deputy Speaker, Sir. For all we care to know, the hon. Member might as well be in court because of the problems he has been having. However, since this is a very important Question concerning the public health implications of *Ebola*, I request that you use your discretion to consider two possibilities. It is either you allow the Minister to respond so that we ask the Question on behalf of the hon. Member or you do not drop the Question but instead defer it to next week.

**The Temporary Deputy Speaker** (Mr. Ethuro): Dr. Khalwale, I hear you and the Question is important. However, the Chair has a very simple task to perform, and that is to follow the procedures of the House. A Question by Private Notice must be asked in person by the hon. Member. Therefore, this Question is dropped! Any Member is at liberty to re-introduce the Question, but the Question by Mr. Mbuvi is dropped because he is absent from the House!

*(Question dropped)*

Yes, Ordinary Question No.991 by the hon. Member for Molo!

## ORAL ANSWERS TO QUESTIONS

*Question No.991*

### TRANSFER OF LAND PARCELS FROM NJORO DISTRICT TO GILGIL DISTRICT

**Mr. Kiuna** asked the Minister for Lands:-

(a) why land reference numbers LR 4334, 4335, 4336, 4337, 4338, and 4339 East of Njoro Farms (Kiambogo Block 1) in Kianjoya Location of Lare Division, Njoro district were transferred to Gilgil District;

(b) whether the said block could be transferred back to Njoro District; and,

(c) when the title deeds for the blocks will be issued to the respective owners.

**The Temporary Deputy Speaker** (Mr. Ethuro): The Minister for Lands, for the second time!

**The Assistant Minister for Lands** (Mr. Bifwoli): Mr. Temporary Deputy Speaker, Sir, I apologise for coming late. I was not aware that I have a Question to answer, but I can answer it. However, I do not know where the answer is. Just give me three minutes so that I can look for the answer.

*(Laughter)*

**The Temporary Deputy Speaker** (Mr. Ethuro): Order! Mr. Bifwoli, just take your seat. It is not enough to apologise for coming late. We need further apologies

because even when you came you were still not with us. You avail yourself and yet you do not know where the answer is.

**Mr. Kiuna:** On a point of order, Mr. Temporary Deputy Speaker. Will I be in order to give the Assistant Minister---

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Kiuna. First and foremost, the Chair was addressing itself to the Assistant Minister when you rose on a point of order. I wanted the Assistant Minister to appreciate that the business of the House is very serious and yet he is handling it in a very casual manner. The Chair cannot entertain that, Mr. Assistant Minister. You have business to do and you are paid by the Government to do so.

**The Assistant Minister for Lands** (Mr. Bifwoli): Mr. Temporary Deputy Speaker, Sir, I take the business of the House very seriously and that is why I am willing to answer the Question now that I have the answer if you allow me.

**The Temporary Deputy Speaker** (Mr. Ethuro): Proceed!

**The Assistant Minister for Lands** (Mr. Bifwoli): Mr. Temporary Deputy Speaker, Sir, I beg to reply.

(a) Land Reference Nos.4334, 4335, 4336, 4337, 4338 and 4339 East of Njoro Farms (Kiambogo Block 1) also known in the Land Registry as Kiambogo Mutukanio Block I are in Njoro District. All registration matters are done in the Nakuru Land Registry. The Land Registry records for Kianjoya Location of Lare Division were transferred to Naivasha in June, 2010. When another land registry was opened, congestion was eased at the Nakuru Land Registry.

(b) The land register and other registry documents for the said block cannot be taken to Njoro District since there is no land registry there. Titles for land falling under Kiambogo Block 1 also known as Kiambogo Mutukanio Block 1 are issued and registered in the Nakuru Land Registry.

**Mr. Kiuna:** Mr. Temporary Deputy Speaker, Sir, while I thank the Assistant Minister for answering this Question, I would like to ask him whether his Ministry officials consulted the shareholders or farmers of Mutukanio in order for them to be transferred from Nakuru to Naivasha Registry office? This is because right now, the shareholders are not aware that they were transferred to Naivasha District and yet administratively they fall under Njoro District. Did the Ministry officials consult the shareholders of Kiambogo Mutukanio Block 1?

**Mr. Bifwoli:** Mr. Temporary Deputy Speaker, Sir, the Naivasha Land Registry was created out of Nakuru and this area was under Nakuru. So, we did not consult the people of the area. As long as you fall under the administration of Naivasha, we just put you under that district.

**Mr. Mututho:** Mr. Temporary Deputy Speaker, Sir, it is true that both Njoro and Naivasha districts are in the same county; that is Nakuru. However, is the Assistant Minister aware that from June, this year, we have not had a valuer in the whole of Nakuru County? The one valuer who is supposed to be there is on leave until the end of August and all the cases of valuation are pending in Nakuru County.

**Mr. Bifwoli:** Mr. Temporary Deputy Speaker, Sir, I am aware that Nakuru County has a valuer. However, if he goes on leave, due to shortage of staff we shall look for another one and give them.

**Mr. Gaichuhie:** Thank you, Mr. Temporary Deputy Speaker, Sir. While I appreciate the moving of the blocks to Naivasha, I thought that when we were creating districts, we were creating them to bring services closer to the people and not vice versa. This is because when you take these people to Naivasha and not Nakuru which is just a stone throw from Njoro, I think you are now reversing the policy of bringing services closer to the people. Why can the Assistant Minister not increase the number of staff in the Nakuru Land Registry so that those people can access services closer to their area?

**Mr. Bifwoli:** Mr. Temporary Deputy Speaker, Sir, when we create districts, we go by the boundaries of that district. One district can go up to the headquarters of another district. For example, part of Teso District is closer to Bungoma than Teso, but the people there belong to Teso District. If these people belong to Naivasha, there is no way we will make them remain in Nakuru when they fall under a new administrative unit.

**Mr. Gaichuhie:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Njoro is not in Naivasha District. Njoro is in Njoro District, which is closer to Nakuru District. So, Njoro District is not in Naivasha District.

**The Temporary Deputy Speaker (Mr. Ethuro):** But let me just understand you. It was Lari Division that was being serviced from Naivasha.

**Mr. Gaichuhie:** On a point of information, Mr. Temporary Deputy Speaker, Sir. Lari Division is in Njoro District and not in Naivasha District.

**The Temporary Deputy Speaker (Mr. Ethuro):** Mr. Assistant Minister, then you need to respond. That from Njoro, past Nakuru you go to Naivasha.

**Mr. Bifwoli:** Mr. Temporary Deputy Speaker, Sir, I do not have that geography in my head. I am now informed.

*(Laughter)*

**The Temporary Deputy Speaker (Mr. Ethuro):** Now that you are informed, what is the solution, Mr. Assistant Minister?

Yes, Mr. Pesa!

**Mr. Pesa:** Mr. Temporary Deputy Speaker, Sir, I understand that Njoro is a district now. I think the best solution is to create this office in Njoro. When does the Assistant Minister plan to do that?

**Mr. Bifwoli:** Mr. Temporary Deputy Speaker, Sir, that is a very good question. We shall create a new office in Njoro when we have enough funds to employ the officers.

**Mr. Pesa:** When will that be done, Mr. Temporary Deputy Speaker, Sir?

**Mr. Bifwoli:** Mr. Temporary Deputy Speaker, Sir, when this Parliament allocates us enough finances.

**Mr. Ruteere:** Mr. Temporary Deputy Speaker, Sir, to come to the Naivasha Land Registry from Njoro, you have to pass through Nakuru. Could the Assistant Minister consider taking the documents that belong to that block back to Nakuru so that people can be served from Nakuru before the Ministry establishes a new office in Njoro?

**The Temporary Deputy Speaker (Mr. Ethuro):** Order, Mr. Assistant Minister! How do you take a division from Njoro, which is past Nakuru to Naivasha? You are creating more complications. That is just for the mere reason that the Nakuru Land Registry is congested.

**Mr. Bifwoli:** Mr. Temporary Deputy Speaker, Sir, I have said that I was informed today and I will look into that issue. If the story is correct, I will see what can be done.

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Assistant Minister! Given the way you even approached the Business of this House; given the unsatisfactory answers that you have given; given that you are even doubting the distance involved between Njoro, Nakuru and Naivasha –which everybody or ordinary Kenyan know – but you are being informed now--- You must be the only Kenyan who does not know the geography of this place. I, therefore, order that this Question is deferred and you bring a proper answer to this House on Tuesday, next week!

*(Question deferred)*

*(Applause)*

**The Assistant Minister for Education** (Prof. Olweny): On a point of order, Mr. Temporary Deputy Speaker, Sir. You skipped Question No.763 in the second round.

**The Temporary Deputy Speaker** (Mr. Ethuro): Order, Mr. Assistant Minister! I think this morning Ministers are physically present but their minds are back in the Ministries or somewhere else. I did not skip that Question. I called it out and the Clerk-at-the-Table informed the Chair that the hon. Member is away on official parliamentary business.

*Question No.1013*

FAILURE TO PAY YOUTHS UNDER  
KKV IN KURESOI/MOLO DISTRICTS

**The Temporary Deputy Speaker** (Mr. Ethuro): Hon. Members, it has also come to the attention of the Chair that the Minister had requested for the Question to be postponed. We have consulted with the hon. Member and agreed to postpone the Question to Wednesday, next week in the morning.

**Mr. Cheruiyot:** On a point of order, Mr. Temporary Deputy Speaker, Sir. Would I be in order to request that since the Minister is not here and he has actually asked that the Question be referred to another Ministry--- That is what is in his answer. The Minister is not asking for the postponement of the Question. He is asking that the Question be referred by the Speaker to the Ministry of Natural Resources.

Mr. Temporary Deputy Speaker, Sir, what happened to the collective responsibility in the Executive? Are they practicing the opposite of collective responsibility?

**The Temporary Deputy Speaker** (Mr. Ethuro): That is a good question. Maybe a Minister can respond to Mr. Cheruiyot, but the understanding of the Chair is that--- Of course, the relevant line Ministry will have more information than another Ministry. That request should not really have come to the Floor because that should have been an internal matter for the Question to be re-routed. I, therefore, order that the Question appears on the Order Paper on Wednesday, next week in the morning under the relevant Ministry.

(Question deferred)

That is the end of Question Time!  
Let us move on to the next Order!

## MOTION

### ESTABLISHMENT OF CONSUMER PETROLEUM FUEL SUBSIDY FUND

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

THAT, aware that the majority of Kenyans and businesses are consumers of petroleum fuel products; concerned that the relevant institutions do not maintain Strategic Fuel reserves to stabilize prices; concerned further that as a result, the cost of petroleum products has significantly increased in the last two months; noting that escalating fuel prices could have far reaching negative socio-economic effects on the nation; this House urges the government to urgently subsidize the prices of all categories of petroleum fuel to maintain pump prices to a maximum of Kshs.80 per litre by setting up a Consumer Petroleum Fuel Subsidy Fund through re-allocation of funds from various votes of Government Ministries.

Mr. Temporary Deputy Speaker, Sir, since November, last year, the prices of fuel in this country have risen by almost 40 per cent from what was then Kshs80 to now almost Kshs115 per litre.

We are aware that fuel is a very key commodity in the lives of ordinary *wananchi* and business people. For the businesses, the effect has been that the cost of production has equally gone up by the same percentage. The effect has been that the overall cost of living has gone up because fuel forms a significant part of our input in all our products. For the ordinary Kenyan prospector, the effect has been that he or she is supposed to pay more for his or her fare, travelling and even for the cost of products in the supermarkets.

Therefore, this is getting to a crisis level and Kenyans are suffering and this House must rise to the occasion and offer some solutions. I agree that this is a very desperate measure and we normally say: "Desperate times call for desperate measures." Kenyans can no longer bear this unless we rise up and reduce the prices by introducing subsidies.

Mr. Temporary Deputy Speaker, Sir, let us remove the fuel levy of Kshs30 per litre which the Government charges on the fuel. That could have been the easiest way to go. However, if we do so, the road sector will suffer because that is the money we use to maintain our roads. So, let all the Ministries contribute to the cost of this for the sake of Kenya.

During the 2008/2009 Financial Year, the Government collected about Kshs35 billion as fuel levy. In 2009/2010, it shot up to Kshs38 billion. Therefore, if we remove Kshs30 fuel levy, we will lose more than Kshs35 billion of revenue. However, if we



consider the bigger picture, a sum of Kshs35 billion divided by the present Budget of Kshs1 trillion, it is almost 3.5 per cent. Each Ministry can reduce its expenses by 3 per cent so that we fund this subsidy.

Mr. Temporary Deputy Speaker, Sir, the average absorption rate of the Government is almost 90 per cent. This means that the Ministries are not able to spend all the money we allocate to them.

Recently it was reported that a whopping Kshs142 billion was not spent by various Ministries. That was a waste. Services were not provided to our people. Therefore, it means they did not require that money although Kenyans are suffering. It is a pity that ordinary Kenyans are paying over Kshs100 as bus fare to their places of work. Therefore, I am saying the Government must rise to the occasion because this matter is very serious. The writing is on the wall and we must implement this Motion. Yes, it will act as a stop gap measure, but it is important we do so, so that lower prices are maintained.

It is sad that the Government has failed to maintain strategic fuel reserves. Three months ago we witnessed the worst scenario of fuel shortage where you could go to a petrol station and you were told there was no fuel. I think that is the lowest we have ever gone in this country. Those who are responsible must take responsibility in future so that we do not experience such a situation in this country.

It is very possible for Government Ministries to reduce their expenses by 3 per cent so that we fund this subsidy. The spiral positive effects of what I am proposing in the economy will contribute more than the revenue that will be lost by financing this subsidy. I know there will be challenges of how this will be managed, but my Motion is urging the Government to make sure that the pump fuel price does not go beyond Kshs80 per litre. So, the Government should work on the other end to ensure that these prices are maintained.

I know there are so many other efforts being put in place to maintain these prices. For instance, a committee of Parliament is working on the cost of living. But at the end of the day, we must provide a practical solution to these issues that give Kenyans some kind of pride. The Government has been urging Kenyans to be proud of their country. *Najivunia kuwa Mkenya*. But unfortunately, we have a country where 90 per cent of Kenyans *wanavumilia kuwa Wakenya*, but only a few *wanajivunia kuwa Wakenya*.

So, I am urging hon. Members that because we represent the people, nothing is impossible to us. The Government must really support this Motion, so that Kenyans are given some space and they are able to reduce their problems.

I do not want to say much. I want to request Mr. Chanzu to second my Motion. Mr. Mututho was to second the Motion, but he has stepped out. I am requesting Mr. Yusuf Chanzu to second my Motion.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**Mr. Chanzu:** Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to second this Motion. I think this Motion is very important. This measure should have been in place a long time ago. If you look at what is happening in this country, even at the moment, leave alone this issue of petroleum products; if you look at what is happening to the price of sugar--- Yesterday I came to learn that sugar is now costing Kshs180 per kilogramme. This means that two kilogrammes retail at Kshs360. It is impossible.

The people who have been charged with the responsibility of taking care of the Kenyans in this case, the Government, they are not people-welfare oriented. I think we have to start by having the right people; that is people who care about the welfare of Kenyans in these Ministries. I do not know what criteria we will use now that we have got a new Constitution in selecting the people. We do not know whether whoever will be President will choose people who can have the welfare of Kenyans at heart first.

If you look at Kenya Power, when they say that they want to ration power in the industrial sector, I do not know whether you know what this will mean. Rationing power in the productive sectors of the economy; an economy like ours--- So, I think we really need to have some controls in all this, particularly this sector because fuel means everything. A slight increase in the price of fuel even by a shilling or by 50 cents alone has got a very big spiral effect. The prices of fares in *matatus* go up. The price of everything goes up. The prices of commodities go up. Our boarding schools buy foodstuffs. The fees keep on fluctuating because of this.

In the drought prone areas, when the prices are so high, even making a contribution becomes a problem. The Government must come in because of the unscrupulous businessmen we have in our midst.

We have talked about cartels in the fuel sector. I do not think the Government is doing much to take care of this. What is happening is that a few companies come up and they are able to control and determine the prices. That is the reason why I support this Motion; that the Government should urgently subsidize prices of all categories of petroleum fuel to maintain pump prices at a maximum of Kshs80 a litre.

In terms of the economies of scale, if the Government was to do that, it would generate a lot of activities. Even those who are involved in some small businesses here and there would be able to afford to live comfortably. This will create employment rather than putting this in the hands of those who can afford. The Government has been negligent and has not taken care of its citizens. It shows no interest in what happens to its citizens.

Mr. Temporary Deputy Speaker, Sir, we are a sugar producing country and the best we can do is to let the sugar companies to collapse, so that we can allow a few people who want to enrich themselves to import sugar. They import this sugar at very low prices, but because they have already caused an artificial demand, the prices definitely go up. I heard of a case where there was some kind of connivance between some big companies and the sugar companies to hold supplies just for a few hours. If they were to hold for a day, the following day, when people come, they look around and there is no sugar. The third day the price goes up and before you check to find out what is happening, they have already made their money even if the price comes back to normal. They will have already made their kill. The people get into a lot of problems.

There is even discrimination in resource allocation. There must be a uniform subsidy to cover everybody. We put funds in some sectors where we do not need the money right now. For instance, we are not at war. We have put a lot of money into the NSIS which is unnecessary. That money should be used to cushion the poor Kenyans. There is a lot that needs to be done. I would like to urge my colleagues in this House to support this Motion so that we can cushion Kenyans who are suffering. The School Feeding Programme has collapsed. We have seen on television what is happening in the drought stricken areas and the Government is doing nothing. I am watching a situation

where it is only foreigners who are concerned about what is happening. I have not seen even the top leadership of this country making any statement about this. It is a pathetic situation and I would like to urge the Members to support this Motion. I hope the Deputy Prime Minister and Minister for Finance - I have seen the Assistant Minister - will support this Motion and have it implemented.

With those few remarks, I beg to second.

*(Question Proposed)*

**Mr. Shakeel:** Mr. Temporary Deputy Speaker, Sir, I stand to support this Motion. Kenya is a country of 40 billionaires and 40 million paupers. Unfortunately, it is run by the 40 billionaires who do not really care about the sufferings of the poor. Sixty per cent of the people of this country live below the poverty line. This "I do-not-care" attitude of the Government, the Ministers and the rich, is shown clearly here in Parliament where the Government Bench is empty. The Assistant Minister, office of the Deputy Prime Minister and Ministry of Finance has just turned up.

**The Assistant Minister, Office of Deputy Prime Minister and Ministry of Finance** (Dr. Oburu): No, I have been here.

**Mr. Shakeel:** Mr. Temporary Deputy Speaker, Sir, yes he is here, but where is the Minister for Energy? There was a Minister not that long ago, who, instead of empathizing with the poor said that Kshs2, 000 is very little because he spends it only on lunch. He is totally out of touch with the poor. Unless you have felt hunger, you will not know how it feels to be hungry.

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

*[The Temporary Deputy Speaker  
(Dr. Kones) took the Chair]*

This is a capitalist economy. It has been so since Independence and before. My history teaches me that it was never a capitalist nation. Before the colonialist came, Kisumu got its name because it would give food to the poor for free if there was famine on the other side. The African society does not believe in hunger. It does not believe that your neighbor can be hungry and you are eating. However, we have become Europeanized and capitalist. We have been told that we must be liberalized and have a free economy. Even Britain and America are not free economies. They control certain things by different levers. They subsidize certain goods and control their prices.

I met some East Germans, who are now in the German Republic, and they were saying that it was better that they did not have freedom, but had food. That is what even the Chinese are saying. The 60 per cent of us are down because of fuel. Multinational companies are getting together with the Ministry officials and others to fool Kenyans that we have some sort of price rationalization. It is a con trick because they fix the price of fuel, but the fuel companies are the ones who lead the fixing. We want proper fuel price control and fixing. Price control should be there. We should fix a certain price and if the fuel companies are not prepared to provide the fuel, we are prepared to walk. The rich in

this country use one car per person, but even in Europe and America, the Government has stated that cars should not be driven empty and people should share. Then they put congestion charges to make sure that we do not waste a lot of money in traffic jams.

Yesterday, I was in a traffic jam for two and half hours. Imagine how much petrol I used. These price controls must be there. It must work and the “I do not care” attitude of the Government and others must change, whether we go back to price controls or whatever you want to call it, we must do that. It is better we be at the same level. The rich will remain rich but they cannot be rich at the cost of people dying.

Mr. Temporary Deputy Speaker, Sir, for us and the constituency I come from, for a person to get Kshs5 is a matter of life and death. As I said, there is a Minister who said that for Kshs2, 000 he can only have lunch. I think that is the situation on the ground.

We also need to make sure that the cost of paraffin is lower than Kshs80 per litre. In other countries, there is something called green diesel and green petrol. They put a colour on petrol which is used only for agriculture and for certain reasons only. I am just giving possibilities that the Government can look at. In Nigeria, at one time they said that vehicles with a certain registration number will come in on a given day, and on another day another registration number will come in. I think these are ways that we can use to regulate the use of fuel. The only way to make sure that this monopoly of fuel providers reduces is by reducing our consumption.

I think the Government must put its foot down and say: “We will not buy fuel at this price”. Subsidy is a very important element in this thing.

Finally, I suggest that many of us use bicycles.

*(Laughter)*

We are laughing yet when you go to Europe, Ministers use bicycles. Even if you saw at the International Criminal Court (ICC) the prosecutor came on a bicycle. It is not a joke! We can do this! I think we need to promote other ways to tell the producers and suppliers of fuel that if the cost is not right, we are not going to buy fuel from them.

With those remarks, I beg to support.

**Mr. Nyambati:** Mr. Temporary Deputy Speaker, Sir, thank you for the opportunity to support this Motion.

I think it is about time that this country and this Government took care of its people. Our people are suffering. We must know that the economy runs around fuel. If we have to manage the business of this country, we must be able to manage the cost and prices of fuel. This affects every Kenyan.

Mr. Temporary Deputy Speaker, Sir, we are all aware that once the cost of fuel goes up at any given time, every other sector is affected; whether it is agriculture, business or whatever you can think of. It is, therefore, important that the Government ensures that there is proper control of fuel prices in this country.

I also want to ask oil companies in this country to be patriotic and know that our people are suffering because of the escalating fuel costs which affect every Kenyan in this country. It is, therefore, important that the Government subsidizes the cost of fuel. Once that is done then it will be evident that all other sectors will be affected and we will be able as a country, to generate more businesses where the Government can levy more taxes and have enough money to run this country.

Mr. Temporary Deputy Speaker, Sir, the cost of living in this country is mainly affected by fuel prices. It affects even the common person; even the *Wanjikus* right in the village. This is because they use fuel, paraffin and all these kind of things.

When we come to agriculture, our farmers use diesel to ensure that the sector grows. So if we want the agricultural sector to move, we must have proper policies in the country. If we have to be food sufficient in this country, we must ensure that as a nation, we control fuel prices in this country. That will have a positive effect on this country. Every sector will now be seen to grow. Once we leave the prices of fuel uncontrolled, it will affect everybody and most businesses will close down and this country will suffer. Therefore, it is extremely important that we introduce this subsidy in this country so that together, not only can we help our people to survive and bring down the cost of living, but we will also ensure that businesses in this country grow.

It is imperative for this nation to take control of fuel prices in this country so that our people will begin to enjoy the reduced cost of living.

Mr. Temporary Deputy Speaker, Sir, even as I conclude, I want to urge the Government, and thank the mover of this Motion that it is timely and important. It must be seen in the light of we, as a nation, growing. It must be seen as, we, as a nation, improving in terms of the economy of the country, and more importantly, reducing the cost of living of our people.

I beg to support.

**Mr. Namwamba:** Mr. Temporary Deputy Speaker, Sir, I rise to support this Motion.

Let me start by thanking the hon. Member for Ainamoi, Mr. Benjamin Langat, for bringing this Motion in appreciation of the very serious constraints currently facing the ordinary Kenyan today because the cost of living that has literally shot through the roof. This has been contributed to, to a very large extent, by the incredibly high cost of fuel.

I also want to take due note that the hon. Member is not proposing subsidy across the board. What is being proposed here is a Consumer Petroleum Fuel Subsidy Fund targeting consumers. This is hopefully within a certain band and I dare add that it should be the most vulnerable Kenyan; the Kenyan who uses the ordinary *matatu* to travel to work or the ordinary bus to move from one place to the other. This is the ordinary Kenyan who uses kerosene for lighting and cooking.

Mr. Temporary Deputy Speaker, Sir, I currently chair a Select Committee of this House that has been looking into this matter of the high cost of living. We have taken time, as a Committee of this House, to investigate these matters at length. We did convene meetings with industry players in the energy sector, including the Minister for Energy, his Permanent Secretary and all the key parastatals under this Ministry, including the National Oil Corporation of Kenya (NOCK), the Kenya Pipeline Company and the Kenya Petroleum Refineries in Mombasa. What we have already noticed at a very preliminary stage is that there is a fundamental problem affecting the energy sector. Unless we take some remedial measures, and some of them are going to be long-term and some short-term, the cost of fuel in this country can only go higher. The Committee on the Cost of Living is still conducting its business, but in view of the urgency of this matter, and appreciating that the issues involved cannot wait until this Committee concludes its work, the Committee did prepare a preliminary Report which

contains not less than 21 recommendations on what needs to be done in the medium-term, to ensure that the ordinary Kenyan gets some relief.

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

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

Madam Temporary Deputy Speaker, among the recommendations that this Committee has already made in its preliminary Report is tackling certain inherent weaknesses within the energy sector that include the manner in which oil products are imported and processed in this country. One of the fundamental problems in this country is that the country does not even have a national oil strategic reserve that could cushion it in terms of unexpected shocks, like the shocks we have witnessed recently due to the unrest in the Maghreb world.

Madam Temporary Deputy Speaker, among other things, we have also noticed that the cost of running and maintaining the Kenya Petroleum Refineries in Mombasa is one of the factors that add to the high cost of fuel products in this country. Indeed, the inefficiencies within the refinery system alone add not less than Kshs7 per litre at the pump. This means that by merely dealing with the inefficiencies in the Kenya Petroleum Refineries and the supply chain through the Kenya Pipeline Company network, we would considerably reduce the cost of fuel products in this country. But we need to appreciate that even as this country takes measures to address the long-term issues, the question of sourcing petroleum products competitively – Government to Government – in a manner that the country would be able to enjoy concessionary rights in terms of sourcing of oil products--- When you talk about dealing with inefficiencies in the Kenya Petroleum Refineries and Kenya Pipeline Company and the functioning of the NOCK, those are essentially medium to long-term measures. But what the ordinary Kenyan wants right now is immediate measures that can ameliorate his suffering today. Therefore, any measure that the Government can take to knock down the cost of fuel at the pump must be taken, however, painful that measure is going to be to the Government.

Madam Temporary Deputy Speaker, let this House also take due note that the Government has attempted to deal with this matter through tax breaks. Both the Prime Minister and the Deputy Prime Minister and Minister for Finance did announce certain tax relief measures in this House; reducing duty on diesel and zero-rating kerosene, but the Kenyan consumer has not felt the effect of those taxation measures at all. The other thing to note is that whereas the Energy Regulatory Commission (ERC) was intended to be some kind of buffer for the consumer and ensure that the consumer is not exploited by exponentially high prices at the pump, what has resulted in that regulation is that prices have risen more steeply with the ERC intervention than when it was open competition. What that then proves is that there are certain inherent weaknesses even in the policy formulation and implementation by the Government for this sector. What the ordinary Kenyans want to see is how the burden can be lifted.

Madam Temporary Deputy Speaker, from the work of the Committee, there have been complaints about cartels and the possibility of price fixing through collusion

amongst the oil majors and other industry players. When the Committee on Cost of Living concludes its work and submits its comprehensive Report in this House, this House will be able to access a lot of the information that the Committee has unearthed with regard to the sector. There are concerns that this country should be moving towards investing in affordable green energy, solar and wind; the capacity for which this country has in enormous proportions. We can produce power and lower the cost of energy in this country considerably merely by exploiting the solar and wind power capacity that this country has virtually all over the country. But, again, as I have said, those are medium to long-term measures. What the ordinary Kenyan is asking for and looking up to this institution, which is the voice of the people, is what can be done now. I dare say that what hon. Langat is proposing is one of those things that can be done now. I believe that this is the opportune time, when this House is just approving budgets for the various Ministries. Hon. Langat did mention that it is now proven and on record, that no single Ministry in this country exhausts its allocation. They return this money to the Treasury and sometimes you wonder what exactly it does after it is returned there.

Madam Temporary Deputy Speaker, therefore, a 3.5 per cent contribution from every Ministry to this Fund, to subsidize this cost as an emergency measure - I believe this measure is not being proposed as a permanent measure - is a measure worth supporting. I urge this House to pass this Motion and support this measure.

Madam Temporary Deputy Speaker, I beg to support.

**Eng. Rege:** Thank you, Madam Temporary Deputy Speaker. I would like to support this Motion, but with amendment.

Madam Temporary Deputy Speaker, my Committee has really looked into this issue of escalating prices in the petroleum industry. We have tried all kinds of formulae to curb the escalating prices of petroleum products that we have in this country. We have talked at large with the ERC and looked at their formulae to determine if they are using the same formula that the whole world is using in controlling petroleum prices.

We seem to have been satisfied that they are, indeed, using that formula. The formula they are using is one which has fixed parameters that are trailing the world's petroleum prices. For me, what I see as a problem is the dwindling value of our shilling at the Central Bank of Kenya. If our shilling was stable, you would see Kenyans enjoying their lives in Kenya with regard to the escalating prices in commodities. If, today, we say: "Let us clamp it at Kshs80", what would stop somebody from pumping the fuel and taking it across the border? I am suggesting that, yes, indeed, we need to control fuel prices so that Kenyans can enjoy their lives. But if we are going to do it, let us do it experimentally for a certain period of time and then look at how we can permanently control those prices and make them affordable for Kenyans.

Madam Temporary Deputy Speaker, for now, that is all I had to contribute. I would like to support it and ask our Committee and the Ministry to look at hon. Langat's suggestions and ideas to see how we can help our people in this country, without having Kenya stand alone at the bottom of the barrel when other countries are selling fuel at high prices.

**The Assistant Minister for Foreign Affairs (Mr. Onyonka):** Madam Temporary Deputy Speaker, first of all, I would like to state very clearly that I am opposed to this Motion. I am opposed to the Motion not because it has not been well-thought-out, but because the economic logic of it does not make sense. I will try and explain this to my

colleagues so that they understand what I am saying. As a student of economics, a subsidy only works when you are providing the subsidy for production. A subsidy only works when you produce items that will come into the market cheaply. However, a subsidy cannot work if you will provide it for consumption. The simple logic is that if you, today, decided, as my colleagues have said, that you will provide a subsidy of Kshs20 per liter of fuel, what would happen if the Kshs20 is taken because the fuel must be bought from the traders who are bringing in the fuel? Essentially, you will create what we call a negative taxation system where you would be rewarding the people who will keep on increasing the prices of fuel. Therefore, logically, anybody will tell you that subsidies, when it comes to production, have never succeeded anywhere in the world. That is why it is much easier for the Government, when production is taking place---

**Mr. Langat:** On a point of order, Madam Temporary Deputy Speaker. I think the Assistant Minister should be very clear. At one time, he has referred to subsidies for consumption not working and another time, he has mentioned subsidies for production not working. He should also state what book he is quoting from to say that.

**The Temporary Deputy Speaker (Dr. Laboso):** That is not a point of order. It is a contribution.

**The Assistant Minister for Foreign Affairs (Mr. Onyonka):** Madam Temporary Deputy Speaker, that is a contribution. Let me be very clear. When you take a bag of fertilizer and decide that you will subsidize the price of the fertilizer to Kshs1,200 instead of Kshs3,000, the argument is that you are helping the farmer produce maize at an acceptable price at the end of the consumption chain. That is the whole reason of creating a subsidy. However, let us make an assumption. We will, for example, give subsidy for maize which has already been produced. The argument is very simple. The farmer will increase his price so that you can keep on giving the subsidy so that the price of maize can come down. That is very simple economic logic. The subsidy which my colleagues are advocating for will only work if you make the National Oil Corporation of Kenya (NOCK) to be the sole purchaser of fuel. You can then subsidize them and supply the fuel from NOCK to the market. That makes sense as far as you are able to put up enough petrol stations so that you do not create an artificial shortage. So, what I am saying is very simple. Before my colleagues bring this Motion to be discussed here; before we can discuss it, let us have a Kamukunji to discuss the true scenario of the economics of it, so that we do not punish the economy and the general public.

Number two, I would prefer if my colleagues could come up and say that, instead of us having a subsidy for fuel, we should create a social security network system where all the poor people of Kenya are given Kshs3,000 a month. The reason is that even if the fuel prices are high, which would be at Kshs20 more per liter of fuel, if you gave a poor person Kshs2,000 to buy the product, they would have a choice of using that money to fight the poverty we are talking about. For me, a social welfare system is a much better subsidy than saying that we should create subsidies for the oil companies. The reality is that oil companies will take this money from us because we would subsidize or make fuel cheaper, not from the fact that they will be cheaper when supplying fuel to the country, but we would be giving a "tax back" to the suppliers of fuel. This is, according to me, what Americans used to call *Voodoo Economics*. We must make sure that we do not adopt policies which have not been tried and tested anywhere in the world. A subsidy in production has never succeeded anywhere in the world. But a subsidy in consumption has



always succeeded. For example, you can say: Let all wheat farmers supply wheat to the makers of bread. If the Government realizes that bread is expensive, then we can give the subsidy to the suppliers of bread because the product has already been produced. However, if you say that you will allow people who are supplying fuel into our country and you give them a subsidy, they will continue increasing the prices. That is my argument.

I oppose.

**Mr. Kigen:** Madam Temporary Speaker, I would like to start by thanking hon. Langat for this timely Motion which seeks to address the plight of consumers and manufacturers in the short term. If you look at what is happening in our market, for example, in the production of food, you will see that we are unable to farm in the acreage that we used to farm due to the cost of production. The cost of production has been impacted negatively by the cost of fuel. In particular, the cost of diesel is one element which has made it difficult for farmers to go to their farms and produce sufficient food to feed this country. Even those living in arable land cannot do it. This Motion seeks to have the Government assist by bearing part of those costs through provisions of subsidies. I want to say that unless there is a short term measure, the country may rely on supporting other economies by way of importing food, for example, to feed its own people and yet, it is possible for us to provide subsidies.

Looking at what the Motion seeks to achieve, it is asking the Government to set aside 3.5 per cent of its resources to subsidize the costs of fuel in terms of farming and industrial products that go into the market. Many products that we sell now, which are manufactured locally, are so highly priced because those who are producing them must recover the cost of production. So, I think this country requires some short-term measures to awaken the Government to think of ways of providing a more affordable source of fuel. If we have to get it straightaway from NOCK, then so be it.

This is because, if, for example, we have to get the National Oil Corporation of Kenya (NOCK), then so be it. We are not talking about who is supposed to supply. We are looking at the consumer. The consumer is already incapacitated because of these high prices, and we are asking the Government to subsidize in the meantime as long term solutions are worked out. One such long term solution is through initiatives. For example, we have seen the Government form a company, the Geothermal Development Corporation (GDC). The GDC is already producing power, which is much cheaper than what is in the market now and we need to put more money into it. One of the explanations they have given us is that in 2013/2014, they will have produced so much energy that we will go into industrialisation. It will reduce the cost of power by about 58 per cent. But before we get there, some measures need to be found to assist the farmers, manufacturers and consumers to access the basic service that is now very difficult to access because of the cost of fuel in particular.

Madam Temporary Deputy Speaker, I think this Motion is timely, and we need to support it. We need to tell the Government that as they work for a long solution, they should provide the kind of funding that we are asking them for. If you look at how much money we waste in other areas of our economy--- If that little percentage is got from each Ministry and set aside to go towards a subsidy, this country will move forward in the meantime as we come with lasting solution on provision of affordable energy.

With these many remarks, I support this Motion.

**Mr. Pesa:** Thank you, Madam Temporary Speaker, for giving me time to talk on this Motion. First and foremost, we should ask ourselves why the cost of fuel is going up, and the answer lies in many factors. One factor is the weak Kenyan Shilling; this is a mistake by the Government. The Government has been quiet when the shilling has been getting weaker and weaker. This is by design, as a matter of fact. When the Government is doing that, what happens to my people in Migori? Do I let them continue suffering because the Government has decided not to play her role? This is why we are saying we must cushion our people at home against high prices. We have to cushion them against this, so that they live good lives down there.

Madam Temporary Deputy Speaker, the hon. Assistant Minister for Foreign Affairs spoke here, and I agree with the way he put it, that we need to have cost put on supply and demand. That is very noble in economics, but when we find that our people are suffering, and they are asking us why the cost of fuel is going up, we must have immediate measures which can correct this issue. One measure we are taking is this Motion by the Member for Ainamoi, hon. Langat, which is asking the Government and the ministries to reduce some of the money we are voting to them, so that it can be put in a fund which will subsidise the cost of fuel in this country. I think this can be done.

Madam Temporary Deputy Speaker, at the end of every financial year, we find that money is returned to the Treasury and nobody explains where it goes. Nobody comes back to this Parliament and tells us where the returned money goes. When we reduce the cost of fuel, it means that even at the Ministry level, they will have to fuel their vehicles at the reduced cost, and that will reduce their expenditure. Therefore, we have to look at people who travel in *matatus*. Bus fares are very high now. Most of our motorbike riders carry the old women at home and take them to different destinations. The cost that they incur is passed over to that old woman, who actually travels to the market. By reducing the cost of fuel, we are going to cushion our people, so that life in the rural areas is bearable and better than it is today.

I do not want to waste more time. In fact, if there is a Member of Parliament in this Chamber who is actually interested in the lives of our people at home he should actually support this Motion. I beg to support.

**The Assistant Minister for East African Community (Mr. Munya):** Thank you, Madam Temporary Deputy Speaker. The spirit of this Motion is good, but what it is intended to do is what it is not likely to do. Experience in other countries where subsidies have been employed—

*(Mr. Waititu entered the Chamber without bowing to the Chair)*

**The Temporary Deputy Speaker (Dr. Laboso):** Hon. Waititu, I did not see you bow when you were entering the Chamber. Respect the House!

*(Mr. Waititu went back to the Bar, bowed to the Chair and entered the Chamber)*

**The Assistant Minister for East African Community (Mr. Munya):** Madam Temporary Deputy Speaker, experience in other countries in situations similar to the Kenyan one, where countries tried this method to help poor people survive when fuel

prices were high, shows that it does not work. Ghana tried it in 2005 and the result was fuel shortages and smuggling out of fuel and attempting to sell it elsewhere. If you have fuel in Kenya and you can raise more money in Uganda or Tanzania, where there are no subsidies, then you will take it there. Also Nigeria tried it and it did not work. So, we do need to reinvent the wheel.

Subsidies of fuel end up benefiting the richer echelons of society because they are the ones who consume more of that product than the poor people. The poor people in Kenya, for example, spend more of their money on kerosene. They do not spend it on fuel guzzlers like the rich echelons of society. So, we do not need to subsidize lifestyles of rich people who use more fuel than poor people. The right way to do it is to give the poor people money directly, so that they can buy the fuel and food themselves. Do not subsidise everybody. Why do you need to subsidise Mr. Pesa, who can afford to buy a Mercedes Benz, drive it on leisure to Maasai Mara and do all those other things?

The consumption of fuel is by the higher class. The rich classes are the ones who consume more fuel than poor people. So, if your aim is to help the poor people, do not give a general subsidy for everybody. Target the poor as the Government is doing. Make direct money transfer to them; we are now asking the sponsor of this Motion to, perhaps, come up with a Motion that directs the Government to upscale the mitigation measures to the poor people by giving them money directly. Give that poor man or widow in the village money in their pockets for them to spend it. Do not interfere with market forces and distort the market by attempting to say that you are doing it for the poor when you are actually trying to do it for Messrs. Lang'at, Pesa, and Sheikh Dor, who can afford it – the richer echelons of society like Members of Parliament can afford the subsidy.

**Dr. Nuh:** On a point of order, Madam Temporary Deputy Speaker. Is the hon. Member in order to mislead the House that subsidising fuel is for the benefit of the rich when we know that Kenyan commuters are also suffering because of the high *matatu* fares just because of the high fuel prices?

**The Assistant Minister for East African Community (Mr. Munya):** Madam Temporary Deputy Speaker, that is an argument and I am saying that if you want the poor man to afford the high *matatu* fare, do not give a subsidy as it will help even somebody who does not use a *matatu*. Give that person the money directly. The Government is already doing that, but we are saying it needs to upscale it. There is already a programme by the Government of transferring money to poor people, or giving monthly stipends to poor families in Kenya. What we are saying is, expand that programme. Give stipends to a bigger percentage of the society instead of trying to subsidise lifestyles of rich people. Experience has also shown that when you subsidise a product, this leads to over-consumption of it by those people who will not feel the pinch. They will overspend on it as they will use it for leisure.

Then there will be a burden on the economy, in the sense that the Government debt will rise when you put money in non-productive sectors. When you subsidize consumption you are not contributing to production. You are actually contributing to consumption. You are telling people to consume more, because it is cheaper. So, we will not be helping the economy grow and ultimately solve the problem of unemployment. We should put money in our pockets and make ourselves richer. This is a poorly thought out Motion. It will not produce the intended result.

Therefore, it should not be supported by any right thinking Kenyan. We need to mention on the mitigation measures that are likely to help the economy and the poor, who are properly targeted by this Motion, but who will not really benefit from the Motion.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Munya, you are not in order to decide whether a Motion is well-thought-out or not. That is the business of the Speaker. He approved this Motion to be debated in this House.

**Mr. Yakub:** Madam Temporary Deputy Speaker, I rise to support the Motion. I really wish to thank hon. Langat for bringing this Motion at the right time.

Madam Temporary Deputy Speaker, when we talk about high cost of fuel, it is important to note that there are four items in the word “fuel”. There is the issue of petrol, diesel, kerosene and LPG products. These are all in one bracket, which affects Kenyans at large when the prices escalate.

Madam Temporary Deputy Speaker, last month, we all remember the Government promised Kenyans in this august House that they would reduce the duty on fuel items. This Government also promised Kenyans that they would be zero-rating duty on kerosene. However, it is very unfortunate that what they had promised poor Kenyans has not been realized.

Madam Temporary Deputy Speaker, when we talk about high prices of fuel, we are touching on the issues of milling companies, maize flour, wheat flour and agriculture where farmers use diesel. We are talking about *wananchi* who have to commute from where they are staying to their places of work. We are also talking about school going children who use *matatu* and other means of transport. Bus fare has gone up. The price of electricity has gone up. We are also talking about the fishermen in Coast Province and Kisumu who use petrol or diesel on their boats.

Therefore, if the Government wants to help Kenyans, let it allow those who can import oil do so without hindrance. This will definitely create competition and prices will go down. The Government should also find sources of cheaper fuel from Russia, Iran, among others who export fuel at cheaper rates. We should not allow ourselves to be dictated by the European countries where to buy our fuel. They can impose embargo on different countries, but we buy our fuel where it is cheap..

Madam Temporary Deputy Speaker, lastly, I wish on behalf of Kenyans to see the implementation of the promises which our Government has made in this august House. They promised us that there will be reduction on duty charge on fuel. We want to see the prices of fuel go down so that our people benefit.

With those few remarks, I beg to support.

**The Assistant Minister for Energy** (Mr. Magerer): Madam Temporary Deputy Speaker, I want to start by saying that a good friend and a neighbour hon. Langat has really helped us to bring out an idea whose time has come.

Madam Temporary Deputy Speaker, I am an Assistant Minister in the Ministry of Energy. This has been part of the things that have been eating up our minds from the energy sector. I want to believe that the idea of capping the prices to cushion our people is really very timely. However, there are issues which we as Government also need to be able to work out just to take care of the fears that our citizenry has and also the fears that part of us in the Government have.

When we talk about Government subsidies, we want to give back to the people. Coming from the Ministry, already the Government has profiled a taxation regime on oil industry and on various fuels. It would make much more sense if we look at the levels of taxation by the Government which in effect would still mean the same as creating a subsidy. My take is that we, in Government, and particularly the Treasury and also the Ministry of Energy, should be able to consider the reduction of taxes seriously. I mean taxes on petroleum products.

Madam Temporary Deputy Speaker, if I am not wrong, on petrol alone the Government reaps about Kshs35 per litre from the taxation alone. So, looking at it, if the Government reduces that tax to a reasonable amount, maybe even halving it, then we might be headed to where my good friend, Langat is talking about without necessarily having to create another budget to be able to fund the same thing.

Secondly, streamlining of the energy sector in total is something that we would wish the Government to take very seriously. When you look at the issues that keep coming up on petroleum sector that lead to the high cost, which sometimes we are unable to get exactly where it is coming from--- I am talking about the cartels in the industry. We are talking about the inefficiencies in the sector, and we are talking about the difference in ability of the Government to recognize the levels. For example, if we are talking about industrial diesel, in other countries, it has been subsidized. To me, that would be something we, as a Government, need to look into so that we are able to also pass a benefit to our people. I do not know exactly how we intend to look at this. I would like to thank my friend for bringing up this issue, so that we as a Government can take this matter much more seriously.

It is wrong for us to be working and coming up with prices and say that they will go up, because the world market prices have gone up as if we, as a Government, are completely helpless. Whereas the logistics of trying to reduce the prices needs to be well thought again, I want to encourage those of us in Government, and I am happy my good friend from the Treasury is here, to be able to take very seriously arguments that have been advanced, because this is the only way we can say we are doing the job that we are supposed to be doing.

I talked about streamlining the oil sector. As a Government, we still have issues with the pumping capacity and the general transportation of fuel upstream which involves taking fuel from the source to the consumer. Much of those costs have allowed room for oil marketers to make more money. It is not late for us to review the formulae of getting the price correct. If you look at the current formula which is in place with the Energy Regulatory Commission (ERC) which was done by our Ministry, it gives us a chance to learn other issues. We have actually made sure that the marketers retain their profits regardless of other market conditions. For example, if the prices come down or go up it is not the problem of the marketers because the formula guarantees them their profits. So, whichever way it goes, they are going to put no effort to compete objectively and competitively with others. So, the issue of market segmentation is no longer there. The cost of fuel in Umoja, for example, and the cost of fuel in up market estates like Karen is just the same.

So, it does not make much difference because the market is assured that the formula that has been given by the Government will guarantee the profit margin. It is my plea that we also reconsider the formula so that we give a competitive advantage to the

marketers themselves. Sometimes they could be willing to give up a shilling or two from what they would get from their profits but the formula is 100 per cent guarantee for them. So, theirs is just to look for volumes to push because they know that whatever volume they push, they will gain.

Madam Temporary Deputy Speaker, I want to urge my colleagues to help us to come up with proper ways. I want to support what Mr. Munya has said here, that sometimes we have good intentions but we end up not helping the person who we intended to. That is a problem that we need to deal with. The Mover of the Motion needs to tell us how he intends to take care of that situation so that people who can afford do not necessarily benefit more than the people who may not afford. That is something that I wish to bring to the attention of the Mover of the Motion. Otherwise, it is hard for me to oppose this Motion given the situation that our people are facing. It is really very difficult.

I want to say that the Motion is okay.

**Mr. Mututho:** Madam Temporary Deputy Speaker, I rise to support this Motion. I want to remind hon. Members that you might be in the Executive tonight but your cardinal call is in upholding what we are here for and we are here for three things: To represent the people of Kenya; to make laws and to do oversight. We are not here as entertainers and neither are we here to do anything else. We have a banner outside this Chamber so that in case an hon. Member forgets, it is to represent the people.

The people of Kenya are now living in poverty. In 1975, Dr. Mark Namala who was then the World Bank chief defined poverty as follows:-

“People living in conditions so degrading as to deny human dignity.”

That is where we are. People are living in conditions so degrading as to deny human dignity. These people have to go to bed as early as 6.30 p.m. depending on the sun because they cannot afford lighting their houses. These people cannot afford to have firewood. These people do not have enough to eat. You are forcing them to be truly members of the dark continent, Africa. If you Google “Africa” at night, it cannot be seen. We thank Esther Passaris because at least, Nairobi can be seen by Google at night. We have to do something and one of the options that we have is the Government.

I am glad that the Assistant Minister, Office of the Deputy Prime Minister and Minister for Finance is here to look at taxation levels. The decision of taxation levels is a decision of the Executive. A decision to help the people of Kenya is our mandate. Our people are suffering. So, whatever you are working on concerning taxation levels, talking of direct or indirect subsidy or whatever you are talking about, the net effect must be the same. I really cherish those old days when I bought my first car in 1970s. For Kshs20, you could travel around Nairobi and then go home in the evening. The salaries were less than Kshs2,000 at that time. Today, who is eventually collecting all that money? Is it the marketer or the Government? If it is the Government and there is that additional revenue and they are talking about Kshs40 billion, I want to give them an alternative and I want the Assistant Minister to listen. By doing the right thing like introducing value addition in agriculture from Naivasha alone, you can collect your Kshs41 billion. It is there and it is documented.

The only reason why you are not collecting that amount of money is because you still export our flowers in bulk to an extent that they give you double entry and you are not able to capture the right taxation levels. That way, you lose your Kshs41 billion. If

that is the Kshs41 billion you are so desperately yearning for to keep this economy afloat and which represents about 4 per cent of the national Budget, then there are many alternatives. You could as well come and give the Ministry of Fisheries Kshs2.8 billion. If you did so, they would hire guards the equivalent of those in Kenya Wildlife Service (KWS) and you will have additional revenue of Kshs43 billion. That is doing the right thing by investing Kshs2.8 billion so that you have the coast guards and the water guards. This will enable you get that revenue. Ultimately, our people must come first and the Executive must not shield in this capital power so that they forget what really brought us.

The 210 of us were not elected in this august House to come and watch our people grind to a halt because they cannot afford food, medicine and if the medicine is free they cannot afford to go to hospital and we are seated here. The *matatus* cannot go either because the roads have not been fixed or the fuel is too expensive.

Madam Temporary Deputy Speaker, the support of this Motion is not something that we should debate. We should all stand and join our hands and particularly hon. Members who come from the arid areas and areas that have been regarded as marginalized. If you watch the television, and I thank the media for this, and see images that come through, then you have to think whether we have ten layers in Kenya. First the Executive who sit here and drive the Volkswagen cars where they can travel for many kilometres as they wish and the Turkana who even if they are willing to go to hospital, they cannot go because there are no roads and the local *matatu* which is the former GK Land Rover does not have fuel.

Madam Temporary Deputy Speaker, this Government must do something even if it means going to borrow from China or the United States of America (USA) for that deficit that will make them readjust their own books so that we can have a genuine Executive effort to cushion price fluctuation and to genuinely reduce the price of fuel.

With those few remarks, I support.

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Madam Temporary Deputy Speaker, let me thank you very much for giving me this opportunity to contribute to this Motion. I would also thank my colleague, Mr. Langat for bringing this very important Motion. We are aware of the problems caused by high fuel prices in this country. We are aware that high fuel prices are hurting the people in this country and also affecting our industrial production. We have been grappling with that matter as the Ministry of Energy and, in fact, the idea of bringing a price cap was to see how best to control the price of fuel.

**Mr. Ruteere:** On a point of order, Madam Temporary Deputy Speaker. There is no quorum in the House!

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Members, it is true that there is no quorum. Ring the Division Bell.

*(The Division Bell was rung)*

**The Temporary Deputy Speaker** (Dr. Laboso): Order, hon. Members! We have quorum now. Proceed, Eng. M.M. Mahamud!

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Madam Temporary Deputy Speaker, as I was saying, in our efforts to reign in the price of petroleum in this country, the Government introduced the price capping mechanism so that we can raise

the international oil prices. But it is not working well because oil prices are increasing day by day, globally.

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

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

Mr. Temporary Deputy Speaker, Sir, whereas it is desirable to look for fuel subsidy, I think the benefit of subsidy, as mentioned by colleague, will normally accrue to high income people and not the poor person. Elsewhere, where subsidies have been tried, I think the majority who benefit are people who are in the high income bracket and not the poor person. Any case of subsidy, although, sometimes, it can be evenly distributed, can be misdirected from the household sector to the transport sector. The problem of high oil prices is something that is universal and global. We need to see how we can control prices. But I think subsidy is not the option. I find it difficult to understand how we can implement the subsidy. Subsidy is normally for the productive sector; agriculture and manufacturing. But the consumer sector--- Like if you subsidize the petroleum industry, I think it will distort our economy and give us problems. We, in the Ministry of Energy, will like to come up with any method that will help us to reduce the price of fuel.

One area which has been suggested by my colleague here is the issue of reducing tax. However, we know that the biggest producer of tax in this country is fuel. From the fuel levy we get about Kshs9 per litre of petroleum.

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Mr. Assistant Minister! I will allow you 30 seconds so that we can get the Government to respond.

**The Assistant Minister for Energy** (Mr. M.M. Mahamud): I am not responding on behalf of the Government but I am contributing. My colleague from the Office of the Deputy Prime Minister and Ministry of Finance will respond on behalf of the Government.

Mr. Temporary Deputy Speaker, Sir, whereas the intention of the Motion is very good, and I thank the hon. Member who brought it, I wonder how best this can be implemented. It is important for us to really realise that there are areas where we can think of subsidies like agriculture and manufacturing and not this area of high consumption. This is a consumer area. If this is done, it can distort the whole thing. Maybe, we will get engaged as a Ministry and as a Government to see how best we can cushion our people against the high fuel cost. However, the method suggested by Mr. Langat, with all due respect, is not practicable. Although I support the intent of the Motion, I find it difficult to justify how this can be implemented.

With those few remarks, I support the Motion with the reservations that I have made.

**The Temporary Deputy Speaker** (Prof. Kaloki): Dr. Nuh, you can take a minute or two so that we can sum up the Motion.

**Dr. Nuh:** Thank you, Mr. Temporary Deputy Speaker, Sir. I do not know what to say within a minute. I came here with an open mind to see how the Government can



convince me that this Motion is bad but so far they have not been able to convince me. I am inclined more to listen to the realities of this country that the current oil prices are unsustainable for almost 90 per cent of Kenyans.

If the Ministry of Energy could tell us the concrete measures that it has already put in place, at least, to guarantee Kenyans that fuel pump prices will come down in the next two days, one week or one month, we would have been convinced that this Motion is untimely and we would have given the Government side the benefit of the doubt.

Mr. Temporary Deputy Speaker, Sir, for the last six months, the skyrocketing of fuel prices has been a reality in this country. We have given all doubt and time to the Government to see that, at least, something is done. When NOCK was established, it was supposed to put a cap on fuel prices and, at least to ensure that Kenyans are cushioned when it comes to market prices for fuel but that has not happened.

We have talked about the reduction of taxes again and this has only been carried out to the benefit of marketers and cartels. It has been brought to the attention of the Ministry that there are oil marketers who have turned the market into a cartel and are not ready to accept any losses at any time. They are ready to transfer all the losses all the time to the consumers who are the poor Kenyans who are suffering. If NOCK cannot sustain the fuel pump prices at an acceptable level which consumers can afford; if the Energy Regulatory Commission (ERC) is not in a position to do the same, what are we to expect? This is the only time, out of desperation that we have to take desperate measures. This is because desperate measures call for desperate actions. This is the time the Government has to bite the bullet. They have to give Kenyans the subsidy so that they can afford the market prices. This is because the market prices of fuel resonate within other markets in terms of food, transport, transfers and cost of living.

If the Government can cap on the fuel prices, as Kenyans, we will be assured that we will afford food, school fees and many other things. Because the Government side has not been able to convince us, we are more convinced with the Mover of the Motion and I wish to support the Motion.

**Mr. Ruteere:** Mr. Temporary Deputy Speaker, Sir, I rise to oppose the Motion. By implementing this Motion, we will not be helping the poor Kenyans. We will be making them even poorer. The money derived from the taxation of fuel helps in the infrastructure of this country and the social services. It is the rich who drive the big and small cars that can afford the fuel. The poor we are targeting are not able to move even from their villages because they are hungry, have no water and have no access to health facilities. The schools have no teachers because the Government has not raised enough taxation to employ teachers.

Mr. Temporary Deputy Speaker, Sir, if it was about taxing more, I would be more pleased than to have the current fuel prices. This is because Kenya will have cheaper oil prices than our neighbouring countries. People will drive from Tanzania and Uganda to fill their tanks and move to the neighbouring countries where they will sell that fuel. It does not help to subsidize fuel, but it helps to subsidize food prices.

I oppose this Motion because by implementing it we will make the situation even worse. The position is that the money that is got from taxation is used to give social services to the people. Currently, the Government is unable to raise enough revenue to do all that it is required to do and yet we want to cut down the revenue.

Mr. Temporary Deputy Speaker, Sir, I beg to oppose this Motion.

**The Temporary Deputy Speaker** (Prof. Kaloki): Thank you very much. Mr. Njuguna, let it be one minute because we were to stop at 12.00 p.m.

**Mr. Njuguna:** Mr. Temporary Deputy Speaker, Sir, I rise to very strongly oppose this Motion which will not address the current concerns facing Kenyans. What we need in this country is to address the corruption dragon that has continued to plague the performance of our economy. We should also address the impunity that we have seen in some of the major scams that have been noted in this country. What is very important and what we should urge the Government to do is to allow the mature forests worth Kshs15 billion to be harvested. This money should be released into the market to address the issue of the price of diesel in the country. Therefore, it is important to urge the Government to register its goodwill and address the current problem.

Mr. Temporary Deputy Speaker, Sir, I, therefore, strongly oppose the Motion.

**The Temporary Deputy Speaker** (Prof. Kaloki): It is now time for the Government side to respond.

Yes, the Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance, Dr. Oburu!

**The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance** (Dr. Oburu): Mr. Temporary Deputy Speaker, Sir, I rise to oppose this Motion. While opposing the Motion, I want to appreciate the sentiments and concerns expressed by hon. Members. The Government is concerned that high oil prices severely hurt the livelihood of every Kenyan and lead to high transportation costs which in turn lead to high price of basic commodities.

Similarly, high fuel and energy prices make industrial production costly thus weakening the resilience of our economy and the purchasing power of our citizens.

Mr. Temporary Deputy Speaker, Sir, it is also important to note that the Government administered petroleum pricing aimed at ensuring automatic pricing mechanism that adjusts prices regularly in light of changes in the international oil prices for petroleum has not eased the increase of prices much. This is because the pump prices trace closely the global trend in the price of crude oil, which increased from US\$91.85 per barrel in December, 2010 to US\$120 per barrel in April, 2011. This translates to 30.6 per cent increase.

Experience elsewhere indicates that subsidy on fuel prices usually does not succeed and is costly to the Government. This is because:-

(a) Most benefits from universal subsidies accrue to high income households. Universal petroleum subsidy benefits are mostly regressively distributed with over 80 per cent of total benefits accruing to the richest 40 per cent who use petrol, diesel and Liquefied Petroleum Gas (LPG).

(b) Even for kerosene subsidy, whose benefit is, at least, evenly distributed across all income groups, it is likely that it will be misdirected from household sector to transport sector through mixing with diesel and cross-border smuggling unless a harmonized treatment is undertaken within the East African Community region as a whole. Ultimately, the neediest people may never get the product.

Mr. Temporary Deputy Speaker, Sir, the problem of high oil prices is a global, continental, regional as well as a local problem. While hoping that the global supply structures of petroleum products will stabilize in the medium and long-term, subsidization is no longer a viable option to shield the low income households from the

ills of high oil prices. Most countries are moving towards targeted transfers as the ultimate solution. They have adapted temporary measures similar to the ones we are already implementing in Kenya.

Hon. Members will remember that in the Budget Speech by hon. Uhuru Kenyatta, the Deputy Prime Minister and Minister for Finance, measures cushioning the vulnerable members of our society were outlined which increased, for instance, the monies given to the old people to Kshs470 million. This amount which include upward adjustment of the monthly transfer of Kshs2,000, as directed by this House, will enable us to increase the current coverage by twofold from ten households to 20 households per constituency throughout the country.

Mr. Temporary Deputy Speaker, Sir, these subsidies, for instance, have not succeeded in the following countries:- In Indonesia, domestic petroleum prices increased between March and October, 2005, more than doubling and in May, 2008, prices again increased by between 25 to 33 per cent. They took mitigation measures as follows:-

(a) A temporary cash transfer programme was implemented in 2005 to aid over 19 million poor families. A similar cash transfer accompanied price increases in 2008.

(b) They maintained resource allocation to sectors such as education, health and infrastructure to spur the knock-on effect on the welfare of the low and middle income households.

(c) A subsidy on kerosene.

Mr. Temporary Deputy Speaker, Sir, in Jordan, petroleum subsidies were eliminated in 2008 resulting in a price increase of between 33 and 76 per cent. The mitigating measures that they took are as follows:-

(a) The minimum wage was increased and low paid Government employees received a high wage increase.

(b) On time bonus to low income Government employees and pensioners was introduced.

(c) An electricity lifeline tariff was maintained at a low level.

(d) Cash transfers to other low income households whose heads were non-government employees or pensioners was also introduced.

Mr. Temporary Deputy Speaker, Sir, the Government up-scaled funding to national aid fund and national safety net programme with the World Bank (WB). In 2005, the Government of Ghana used the finding of poverty and social impact analysis to show that petroleum subsidies benefitted predominantly high income groups. Parliament discussions on this matter were broadcasted in public and the weaknesses of subsidies, such as smuggling, shortages, black market activities and corruption highlighted. Petroleum subsidies were eliminated.

In Nigeria, experience in this giant of Africa indicates that subsidies to oil marketers did not yield the intended purpose. Oil marketers were being subsidized to haul products from Lagos Ports to the distant north of the country but most of them ended up selling the products at the point of collection thus starving the north off fuel supply.

It is important to note that subsidies are humanitarian in appeal but yield completely opposite results due to moral hazards and market failures. They can completely de-stop the market mechanism and lead to massive shortages, product rationing and black market activities. Besides, they are financially burdensome and difficult to account for. In light of the above, we propose that the Government should

upscale the available social protection and safety net schemes that directly target the low income persons in our nation to cushion them from rising oil prices. We have undertaken these measures, as indicated in the Budget Statement read to this House, which I have quoted partially.

Finally, Mr. Temporary Deputy Speaker, Sir, it is usually reasonable to restrict subsidies to productive sectors of the economy and not traders. It is the productive sectors such as agriculture and manufacturing that will create jobs for our youth and contribute to growth. Subsidies on consumption of goods and services encourage excess use, lead to large Government deficits and accumulation of public debt and contribute less to economic growth. We will ensure that all the financing of intervention measures is done within a sustainable fiscal framework to maintain macroeconomic stability to spur private sector growth and maintain the economic recovery momentum.

Mr. Temporary Deputy Speaker, Sir, with these words, I beg to oppose the Motion.

Thank you.

**The Temporary Deputy Speaker** (Prof. Kaloki): All right! Mr. Langat, you can reply.

**Mr. Langat:** Thank you very much, Mr. Temporary Deputy Speaker, Sir. I want to reply.

First, I want to thank the hon. Members who have supported the Motion. They have said many things which I do not want to repeat. However, I want to thank them very much. Equally, I want to thank the hon. Members who have opposed the Motion because they have their own good reasons for opposing it.

Mr. Temporary Deputy Speaker, Sir, most of the hon. Members who have opposed the Motion have actually opposed it out of fear or because they have misunderstood some of the issues.

Mr. Munya opposed this Motion on the basis that it has failed elsewhere in the world. It seems as if the Government side had a textbook answer which was written for them. The Government should not fear implementing this Motion because they never opposed the idea. They oppose on the basis that they will be unable to manage the system. It is possible to implement this Motion.

They have said it has failed in Nigeria and Ghana. However, it has succeeded in China, Malaysia and South Korea. These countries are far ahead in the world. So, I want to request the Government side not to fear implementing this Motion. I know it is possible to do so. We have said this is a desperate measure because Kenyans are desperate. The Government side has never given us any concrete solution to this problem. All the time, they have said that this will interfere with the economics of a free market.

Mr. Temporary Deputy Speaker Sir, when the free market economy fails that is the time we must intervene and solve that problem. All the time, the prices have been rising. There is no day that prices have dropped. Therefore, I want to ask the Government side to soften their stand and realize that this is possible.

The issue that will be there is that the pump prices will be retained at Kshs80 per litre. So, if it is more than Kshs80 somebody must check. It is the Government to deal with the suppliers of the products. I want to respond to the issue raised by Mr. Ruteere. I want to thank him for bringing this Motion. Kenyans are hungry. We are not interfering with the money for infrastructure. In fact, we want each Ministry to reduce their

expenditure by not more than 4 per cent. This money will be enough to assist Kenyans for one year as the Government looks for a long term solution to this problem.

I want to encourage those who are opposing the Motion to soften their stands knowing that we are not interfering with the infrastructure or the road sector. We are only saying let them tighten their belts a bit by 4 per cent. In any case, in the last financial year, the absorption rate of the Government was 90 per cent. This means they were returning almost more than Kshs100 billion to the Treasury for non-expenditure which should have been used to cushion Kenyans to solve this problem of fuel.

With those few remarks---

**The Assistant Minister for Livestock Development** (Mr. Duale): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to say that Ministries were returning over Kshs100 billion? The absorption rate is not 90 per cent as the hon. Member has said. You need to--

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

**The Assistant Minister for Livestock Development** (Mr. Duale): Is the hon. Member in order to lie to the House that the absorption rate is 90 per cent? Is he in order to mislead the House?

**The Temporary Deputy Speaker** (Prof. Kaloki): Assistant Minister, could you approach the Bench and withdraw that remark?

**The Assistant Minister for Livestock Development** (Mr. Duale): Mr. Temporary Deputy Speaker, Sir, I withdraw, but could he substantiate? Is he in order to mislead the House that the absorption rate is 90 per cent?

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

**Mr. Langat:** Mr. Temporary Deputy Speaker, Sir, if the Assistant Minister was listening to me very carefully, I said the average absorption rate for the Ministries is 90 per cent to 95 per cent. This means that 10 per cent is returned. Ten per cent of Kshs1 trillion is Kshs100 billion. So, the hon. Assistant Minister should listen properly.

I want to ask the Members to support this Motion. It is very good for Kenya. It is going to come with a cost, but it is going to have serious social benefits to this country.

*(Question put and negatived)*

*(Several Members stood up in their places)*

**The Temporary Deputy Speaker** (Prof. Kaloki): Order Members! Order all of you! Could you sit down! Members, let me put the Question again.

*(Question put and negatived)*

*(Several Members stood up in their places)*

**Hon. Members:** Division! Division! Division!

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Members! Let the Clerks-at-the-Table determine the numbers. Members, you are 17!

**Mr. Mbadi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. It is as if the Clerk has misled the Chair!

**The Temporary Deputy Speaker** (Prof. Kaloki): Members, could you resume your seats? We will continue with this Question for debate later this afternoon because it is 12.30 p.m.!

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

**Mrs. Shabesh:** You are not above the House!

**Mr. Mbadi:** We have called for a division!

**Dr. Nuh:** This is a quorum issue when there is division!

**The Temporary Deputy Speaker** (Prof. Kaloki): Order, Members! I will get just one minute to read the Standing Order No.60(1)(b), which reads:-

“if, on a question other than a question of procedure, twenty or more further Members rise in their places to support the Member claiming the division---”

Remember here the number is a minimum of 20. We have counted 17 and not 20! So, the Noes have it!

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

*(Several hon. Members protested)*

**An Hon. Member:** Rigging! Rigging!

**Dr. Nuh:** There are only five Members! They have “eaten” and that is why they can shout! This is rigging!

#### **ADJOURNMENT**

**The Temporary Deputy Speaker** (Prof. Kaloki): Hon. Members that concludes our business. The House is, therefore, adjourned until this afternoon at 2.30 p.m.

The House rose at 12.30 p.m.