

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 23<sup>rd</sup> February, 2011

The House met at 9.00 a.m.

*[Mr. Deputy Speaker in the Chair]*

### PRAYERS

### QUESTIONS BY PRIVATE NOTICE

#### ARREST OF AGA KHAN PRIMARY SCHOOL HEADTEACHER

**Mr. Kioni:** Mr. Deputy Speaker, Sir, I beg to ask the Minister for Education the following Question by Private Notice.

(a) Is the Minister aware that the Aga Khan Primary School Head Teacher, Mr. Amos Muiruri, was arrested and is being held in prison since Monday, January 24th, 2011?

(b) Under what circumstances was he arrested, and what action has the Ministry taken, considering that he is an employee of Teachers Service Commission (TSC) but is under the Director of City Education?

Mr. Deputy Speaker, Sir, before the Minister replies, I would like to inform you that I have not seen a written answer. It should have come before this morning.

**Mr. Deputy Speaker:** Mr. Kioni, this is a Question by Private Notice. You do not have to have a written answer for a Question by Private Notice.

Proceed, Mr. Minister for Education!

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, Sir, I am made to understand that the headmaster was arrested for contempt of court. Unfortunately, I do not have the details relating to the matter. However, I will be ready to provide the details in the next one hour or so.

**Mr. Kioni:** Mr. Deputy Speaker, Sir, it is not clear what the Assistant Minister is asking for.

**Mr. Deputy Speaker:** Assistant Minister, what are you asking for? Are you asking for indulgence from the Chair to be given more time to answer this Question?

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, that is correct, because all I have is verbal information to the effect that Mr. Muiruri was arrested for contempt of court. He has since been released but I do not have the details relating to the matter. So, I am asking for more time, so that I can get the details. We can even deal with the Question in the afternoon.

**Mr. Deputy Speaker:** Mr. Assistant Minister, you realise that the Chair or the House is not supposed to give you those details. Those are details which are supposed to be in the domain of your own Ministry.

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, Sir, I agree with you in totality. It is just that---

**Mr. Deputy Speaker:** Mr. Kioni, are you comfortable with the Question being deferred to tomorrow afternoon?

**Mr. Kioni:** Mr. Deputy Speaker, Sir, Mr. Muiruri was put in for contempt of court, and the circumstances surrounding this case are such that if we allow the Assistant Minister to continue asking for more time, there are people who will continue to suffer injustice. The headmaster is still being held for contempt of court. There is an attempt to take away Aga Khan Primary School from the public and give it to the private sector. It is a very weighty matter.

**Mr. Deputy Speaker:** Order! Order! Hon. Kioni, you cannot discuss the substance of the matter itself at this stage. You can only do that when the Question is answered.

The Chair directs that this Question be placed on the Order Paper for tomorrow afternoon.

**Mr. Kioni:** Mr. Deputy Speaker, Sir, the Assistant Minister has offered to answer it in the afternoon, and I am comfortable with that proposal.

**Mr. Deputy Speaker:** It is not possible because the Order Paper for the afternoon is already out.

**Mr. Imanyara:** On a point of order, Mr. Deputy Speaker, Sir. The Questioner and the Assistant Minister are in agreement that the matter is in court. Is it in order for them to even ask for time to discuss an issue which is alive in a court of law?

**Mr. Deputy Speaker:** As to the extent of the *sub judice* on the matter itself is something which the Assistant Minister should indicate as he answers the Question.

**Mr. Kioni:** Mr. Deputy Speaker, Sir, I think hon. Imanyara was not quite attentive when we were talking about this matter. The matter is not before court. Judgement has already been given.

**Mr. Deputy Speaker:** Order! Order! In any case, even if the matter is before court, it is for the Assistant Minister to seek the indulgence of the House for the matter not to be discussed on the basis of *sub judice*.

Mr. Assistant Minister, the Chair directs that this Question be placed on the Order for tomorrow afternoon. This time round, you had better have the answer with you.

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, Sir, I will definitely have the answer. The point here is that I received the Question at short notice and I just did not have adequate time to have the answer prepared.

**Mr. Deputy Speaker:** Order! The Chair has given direction on the same.

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

**Mr. Deputy Speaker:** Order, hon. Olago! If it is on the same issue, the Chair has already given direction.

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

**Mr. Deputy Speaker:** What is it?

**Mr. Olago:** Mr. Deputy Speaker, Sir, I wanted to draw the attention of the Chair to the fact that as we wait for the answer to come, the Ministry could take steps to ensure that this man is released. He is suffering for nothing.

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, Sir, he has already been released.

**Mr. Deputy Speaker:** The Chair has given direction on the same.

*(Question deferred)*

NUMBER OF VICTIMS OF *BODA*  
*BODA* ACCIDENTS IN MIGORI

**Mr. Pesa:** Mr. 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 provide the names of the persons who have been attacked/killed in Migori District in 2011 in incidences involving *boda boda* and other traffic?

(b) Have police arrested the killers of a man and his pregnant wife at Nyangumbo in Oruba Ward during the weekend of 12-13<sup>th</sup> February, 2011?

(c) What immediate security measures has the Ministry put in place to combat the rising insecurity in Migori, which is now a threat to business in the region?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): Mr. Deputy Speaker, Sir, my colleague, hon. Ojode, has requested that this Question and another Question, which should come subsequently; be deferred to tomorrow afternoon. He called me a few minutes ago to say that he is not available.

**Mr. Deputy Speaker:** You should realize that it is a Question by Private Notice.

**Mr. Ogindo:** On a point of order, Mr. Deputy Speaker, Sir. The hon. Assistant Minister is here in his capacity as a Minister in the Office of the President to which the Question has been directed. Is he asking for leave of the House, so that he can answer it later or so that another Minister can answer it later, yet he is the Assistant Minister in the Office of the President?

**Mr. Deputy Speaker:** I hope you understand the doctrine of collective responsibility. You do not come in as the agent of hon. Ojode, your fellow Assistant Minister. You come in as an agent of the Government. However, you are asking for the indulgence of the Chair to answer this Question tomorrow. Is that okay, hon. Pesa?

**Mr. Pesa:** Mr. Deputy Speaker, if it is the ruling of the Chair, I will accept it, but I want you to note that there are a lot of security problems in Migori at the moment.

**Mr. Deputy Speaker:** Very well. The Chair directs that this Question appears on the Order Paper tomorrow afternoon.

*(Question deferred)*

ORAL ANSWERS TO QUESTIONS

*Question No 456*

NUMBER OF CHIEFS AND ASSISTANT CHIEFS IN THE COUNTRY

**Mr. Speaker:** Mr. Letimalo is not here? We will come back to this Question later.

Next Question by hon. Kabogo!

*Question No.542*

KILLING OF LUCY WAIRIMU GITHUKU BY POLICE DOG

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

(a) whether he is aware that a police dog from Gatundu Police Station killed one Lucy Wairimu Githuku as per the postmortem report conducted at Bishop Okoye Hospital;

(b) whether he is also aware that the police dog in question tested positive for rabies as per the laboratory report of the Ministry of Livestock Development dated 28th July 2010; and,

(c) when the Ministry will compensate the family of the deceased who was the sole breadwinner of the family.

**The Assistant Minister, Ministry of State for Provincial and Internal Security** (Mr. Lesrima): Mr. Deputy Speaker, Sir, again, I seek the indulgence of the House for this Question be deferred to tomorrow when hon. Ojode will answer it because I do not have an answer.

**Mr. Kabogo:** Mr. Deputy Speaker, Sir, while I appreciate the frustrations of the Assistant Minister because of the absence of his colleagues, it seems that the Government is not taking seriously the business of this House. This is the second Question this morning where the Assistant Minister is asking for more time, so that another Minister can come and answer them. You realize that these Questions have been queuing in the House since October. When the chance comes for a Question to be answered, they want to seek an easy way out by saying that another Minister is not in. We seek your direction.

**Mr. Deputy Speaker:** Mr. Assistant Minister, we have just seen that Ministers have been in trouble with the Chair because of failing to take their responsibility seriously on the Floor of the House. You will not be allowed that leeway. Ministers should take their work seriously. The Chair directs that this Question appears on the Order Paper for tomorrow afternoon.

*(Question deferred)*

*Question No. 738*

ORIGINAL DESIGN OF KPC CAPACITY ENHANCEMENT PROJECT

**Mr. Deputy Speaker:** Mr. Ochieng is not here? We will come back to his Question later.

Next Question by Mr. Affey!

*Question No.736*

NON-PAYMENT OF DEBTS OWED TO M/S ISMAJ  
GARAGE TRANSPORTERS BY NWCPC

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

(a) whether she is aware that the National Water Conservation and Pipeline Corporation has not paid M/s Ismaj Garage Transporters Kshs3,230,000 for works done at Dadh-Dere Water Pan in Fafi District on 20th June, 2008; and,

(b) whether she could explain the delay in payment and state when the corporation will pay the contractor.

**The Assistant Minister for Water and Irrigation** (Mr. Waititu): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that M/s Ismaj Garage Transporters has not been paid for works done at Dadh-Dere Water Pan in Fafi District on 20<sup>th</sup> June, 2008.

(b) The delay in payment to M/s Ismaj Garage Transporters was occasioned by the fact that at the time the National Water Conservation and Pipeline Corporation encountered cases of fictitious claims and undertook to verify all pending bills to ascertain those which were authentic for settlement. The verification exercise, which is being undertaken by a forensic audit firm, is due to be completed this month after which payment of genuine claims will be initiated. The National Water Conservation and Pipeline Corporation will then communicate to M/s Ismaj Garage Transporters on the same.

**Mr. Affey:** Mr. Deputy Speaker, Sir, you can see clearly how this Assistant Minister is working. He is a good friend of mine but apparently on this one, I think he has failed the test of leadership. He is saying that he is aware that M/s Ismaj Garage Transporters have not been paid for three years. He is also saying that Dadh-Dere Water Pan in Fafi District has been completed. If he is aware that the job was contracted and done, is it the responsibility of M/s Ismaj Garage to wait for an audit which is an internal matter? Why does he not pay them for the job that they have already done? Could he confirm that today these transporters will be paid their money? This is because these contractors have been coming to Nairobi for three years to visit the National Water Conservation and Pipeline Corporation to seek payment for a job that has been done to the satisfaction of the Ministry.

**Mr. Waititu:** Mr. Deputy Speaker, Sir, I apologize for the delay in payment of genuine contractors who have done a very good work for NWCPC. Unfortunately, as everybody is aware, there was a fire outbreak at the NWCPC, which razed down all the buildings and documents there and, thereafter, we were not exactly aware of who was the genuine creditor and who had not been paid. We invited some auditors and they are still verifying the documents against the work done. This work is going to be completed this month, after which M/s. Ismaj Garage will be paid.

**Mr. Deputy Speaker:** How long is “after which”?

**Mr. Waititu:** Mr. Deputy Speaker, Sir, we have the money to pay them only that we are waiting for that forensic audit to be completed.

**Mr. Deputy Speaker:** Fair enough! Give us a firm undertaking that as soon as the forensic audit is completed at the end of this next month, the contractor will be paid his dues.

**Mr. Waititu:** Mr. Deputy Speaker, Sir, I confirm that I will make the payment before April, and after the audit is completed and M/s Ismaj Garage is found to be one of the genuine creditors.

**Mr. Koech:** Mr. Deputy Speaker, Sir, this is how our Government frustrates businessmen. Assuming that this businessman borrowed this Kshs3.2 million from a bank, are you convinced that this person is going to make any profit? Are you committed to pay this person his money plus interest, so that we can protect the business community of this country?

**Mr. Waititu:** Mr. Deputy Speaker, Sir, we sympathize with the situation, but as you are aware, we had that fire which razed down the NWCPC buildings and documents. It is true that it happened. We requested all the creditors to come with the original documents of contract and---

**Mr. Mwangi:** On a point of order, Mr. Deputy Speaker, Sir. You have listened to the Assistant Minister and he has accepted that this contractor won the tender. Is he in order to doubt that the contractor did the job?

**Mr. Waititu:** Mr. Deputy Speaker, Sir, I am confirming that the contractor did the work, and actually the water pan is in operation. It has water in Fafi District; that is not in doubt. However, as you are aware, the documents were burnt and we had not paid some contractors. Thereafter we invited the creditors to come with their original documents. The ones that came immediately with the original documents have already been paid. We have to verify from our records that those people who are claiming not to have been paid were actually not paid. The only way to go is to get that audit report, which will be out by the end of this month. I promise that I will make the payment before the end of April.

**Mr. Bahari:** Mr. Deputy Speaker, Sir, this is a question of policy, particularly of this e-government. An e-government envisages this kind of a situation. A place can catch fire, but because you are IT compliant, a creditor can always be traced elsewhere. Could the Assistant Minister confirm that this is the situation, and that this debtor can be traced elsewhere? This is possible in an e-government.

**Mr. Deputy Speaker:** Are you e-compliant or are you confirming that you have already had a terrible experience?

**Mr. Waititu:** Mr. Deputy Speaker, Sir, that is what we are doing now. We want to make sure that we computerize all our departments and install a server in the Ministry Headquarters to keep the documents.

**Mr. C. Kilonzo:** Mr. Deputy Speaker, Sir, obviously, there are very many contractors who are suffering like this one. Why did the auditors not just audit one by one and pay them as opposed to auditing all and then start paying them the exercise is complete? Why did they not audit one contractor and pay if the work had been done satisfactorily? In other words, why did they not pay as they audit was going on instead of waiting for the entire report?

**Mr. Waititu:** Mr. Deputy Speaker, Sir, you are aware that the National Water Conservation and Pipeline Corporation is a big organization. We had a long list of debtors. So, it was only wise that they do the whole job, we prioritize and start paying. We have no problem paying. We are only waiting for that report which will be ready by the end of this month.

**Mr. Deputy Speaker:** The last supplementary question on the same, Mr. Affey!

**Mr. Affey:** Mr. Deputy Speaker, Sir, it is quite clear from the confirmation the Assistant Minister has given that this job was done three years ago. These are small time contractors who have utilized all their resources on the project. The Assistant Minister has confirmed that the contractor has done his job. That pan is being utilized as we speak today by the people of that area. Now that he has confirmed that the pan is operational and the contractor has not been paid, we want one categorical statement to the effect that by the end of April, this contractor will be paid all his dues so that he can recover the losses. He is a competent contractor. Could the Assistant Minister confirm that he will allow him to do more jobs for this corporation and pay him so that he can recover from the losses that he has already incurred?

**Mr. Waititu:** Mr. Deputy Speaker, Sir, I confirm that we shall pay this contractor before the end of April and in future, if we will have other works in the same district, we will give him the first priority.

**Mr. Deputy Speaker:** Fair enough! Let us move on to Next Question, Mr. Ethuro!

**Mr. Ethuro:** Mr. Deputy Speaker, Sir, I have not received a copy of the written answer.

*Question No.571*

MONIES OWED TO LOWASCO

**Ethuro** asked the Minister for Water and Irrigation:-

(a) whether she could provide a schedule of monies, if any, disbursed to the Lodwar Water and Sanitation Company Limited (LOWASCO) since the 2007/2008 Financial Year;

(b) how much money the Government departments, including parastatals, owe the company per annum; and,

(c) what urgent measures she is taking to ensure that Government departments pay their bills to the company.

**Mr. Deputy Speaker:** Do you wish to proceed and interrogate the Question without the benefit of having a copy of the written answer or do you want us to defer it to another date?

**Mr. Ethuro:** Mr. Deputy Speaker, Sir, I would like to proceed without a copy of the written answer but I would like the Chair to reprimand the Minister for not providing me a copy of the written answer.

**The Assistant Minister for Water and Irrigation (Mr. Waititu):** Mr. Deputy Speaker, Sir, I seek your indulgence to have this Question deferred because the answer is not ready.

**Mr. Deputy Speaker:** Why is it not ready?

**The Assistant Minister for Water and Irrigation** (Mr. Waititu): Mr. Deputy Speaker, Sir, there were some facts that were missing and I was told that they will finish today.

**Mr. Deputy Speaker:** This Question was filed way back. You had all the time, not less than two months, to prepare the answer.

**The Assistant Minister for Water and Irrigation** (Mr. Waititu): Mr. Deputy Speaker, Sir, I can come with the answer in the afternoon or tomorrow. I promise to have everything ready by tomorrow.

**Mr. Deputy Speaker:** Mr. Ethuro, are you comfortable with having the Question on the Order Paper tomorrow in the afternoon?

**Mr. Ethuro:** Mr. Deputy Speaker, Sir, tomorrow afternoon is good enough now that you have agreed with me that this Question was filed a long time ago. The Assistant Minister has answered the preceding Question, which is No.736. Surely, he ought to have the answer.

**Mr. Deputy Speaker:** Fair enough! The Chair directs that the Question appears on the Order Paper tomorrow in the afternoon. In the meantime, Mr. Assistant Minister make sure that the Questioner has a copy of the written answer in advance, at least two hours before the House meets tomorrow in the afternoon.

**The Assistant Minister for Water and Irrigation** (Mr. Waititu): I will do that, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Next Question by Mr. Kiuna!

*Question No.573*

NON-REMITTANCE OF SECONDARY EDUCATION  
FUNDS TO MARIOSHONI SECONDARY SCHOOL

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

(a) whether he is aware that Mariosioni Secondary School in Elburgon Division, Molo District, is a registered public school but has not been receiving Free Secondary Education Funds; and,

(b) when the school will start receiving the funds.

**The Assistant Minister for Education** (Mr. Mwatela): Mr. Deputy Speaker, Sir, I beg to reply.

Mariosioni Secondary School in Elburgon Division is a registered public school. It is true that it has not been receiving free secondary education funds and it should have been receiving the funds. So, with immediate effect, the school will start getting the funds. I will ask the hon. Member to come to my office so that we can make sure that the school gets the funds. This should apply to all the other schools. Hon. Members should note that it is a firm Government policy for schools that are registered to get their funds.

**Mr. Kiuna:** Mr. Deputy Speaker, Sir, as I concur with the Assistant Minister, I will abide by his advice. I hope that it will not be the usual caucus that they normally take us through.

**Mr. Deputy Speaker:** The Assistant Minister has given a firm undertaking on the Floor of the House and it will be in the HANSARD and he will be held by that.

**Mr. Kiuna:** I am satisfied, Mr. Deputy Speaker, Sir.



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

**Mr. Deputy Speaker:** Order, Mr. Outa! Are you sure you want to ask a question about Marioshoni Secondary School?

**Mr. Outa:** It is a point of order, Mr. Deputy Speaker, Sir.  
Proceed!

**Mr. Outa:** Mr. Deputy Speaker, Sir, is the Assistant Minister in order to tell the hon. Member to go to his office? Does the Ministry have any policy?

**Mr. Mwatela:** Mr. Deputy Speaker, Sir, I have said that it is a Government policy that all registered public schools get their funds and for the hon. Member to be satisfied, he can personally come to my office. Even Mr. Outa can come to my office.

**Mr. Deputy Speaker:** Fair enough! I think the Assistant Minister has given an undertaking that is specific as well as general.

Next Question by Mr. Washiali!

*Question No.609*

TARMACKING OF BUSIA-MALABA ROAD

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

(a) to inform the House when the tarmacking of Busia-Malaba road (C43) will commence; and,

(b) to also state the total cost of all the works involved.

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

(a) My Ministry has commissioned a consultant to design the road to bitumen standards. We expect that the consultant will report by April this year. Thereafter, the road will be considered for upgrading to bitumen standards on priority basis in 2011/2012 Financial Year.

(b) The estimated cost of the works will be known when the design is completed.

**Mr. Washiali:** Mr. Deputy Speaker, Sir, I also want to take this opportunity to thank the Minister for the answer after saying that he has commissioned a consultant to look into the design of this road. From his answer, he has talked of priority. That is where the catch is. How do you prioritize the roads that you have to construct? Which criteria do you use? This road links two very important towns at the border. It links us to the central bloc of the African Continent. When there is a breakdown at the border of Malaba, there is a traffic jam extending to about six kilometres. That also applies to Busia. To me, this road should have been given the urgency it deserves.

**Mr. Bett:** Mr. Deputy Speaker, Sir, first of all, I will spend Kshs15 million on consultancy. Secondly, under the Medium-Term Expenditure Framework within the road sector investment programme that places roads in groups of five years at any given time, the road has been prioritized to be improved to bitumen standards within the 2011/2012 Financial Year.

**Mr. Njuguna:** Mr. Deputy Speaker, Sir, while appreciating the answer given by the Minister, it is important that he indicates to this House the efforts that have been taken to maintain these roads to motorable standards all the time.

**Mr. Deputy Speaker:** Which roads?

**Mr. Njuguna:** All the roads, Mr. Deputy Speaker, Sir.

**Mr. Bett:** Mr. Deputy Speaker, Sir, we maintain the roads as much as is possible with the finances available.

**Mr. Pesa:** Mr. Deputy Speaker, Sir, the Minister has commissioned the design of the road to be undertaken. He has said that after the design has been done, the designer will come up with the cost of putting up the road. He has confirmed that this road will be constructed during the 2011/2012 financial year. How much money is available for the construction of this road?

**Mr. Bett:** Mr. Deputy Speaker, Sir, I said that we will factor the project into the financial year 2011/2012. Therefore, we cannot say how much money is available. We do not have money waiting for a road to be constructed. We work in terms of financial years. In our Medium-Term Expenditure Framework, we have planned to have it in the year 2011/2012. I hesitate to indicate that we estimate that it will cost Kshs2.5 billion. That is an estimate. We are still waiting for the designer to give us the actual cost as he has already gone to the site. He will get to know the condition of the road, the areas that require more attention, the marshy areas and the rocky areas. These will determine the cost of doing that road.

**Mr. Deputy Speaker:** Last supplementary question, Mr. Washiali!

**Mr. Washiali:** Mr. Deputy Speaker, Sir, I am yet to be satisfied with the response from the Minister on the criteria used in allocating money to particular roads. To me, this is a very important road. I have asked a very specific question. When the Malaba border breaks down, trucks have to stay there for a whole week. For those who are able to afford it have to drive back to Bungoma, come back to Mumias and then connect to Busia Town. This is a stretch of about 40 kilometers. What criteria do you use in prioritizing your roads?

**Mr. Bett:** Mr. Deputy Speaker, Sir, I had indicated that in the Ministry of Roads, we have the Road Sector Investment Programme (RSIP). This has placed into perspective all the roads in the country taking into account the economic status of each road by way of the economic value of an area and traffic. I want to indicate that yes, indeed, this particular section connects Malaba, which is a border post, to Busia, which is also a border post. We are constructing the road from Webuye to Malaba as part of the Northern Corridor. We are recarpeting the road from Kisumu to Busia as part of Northern Corridor. So we see it as a very crucial connection between the two border points, just in case there are problems at one border point. As we continue constructing these main corridors towards the border with Uganda, we also want to facilitate inter-connection between the two points that connect us to Uganda.

**Mr. Deputy Speaker:** Next Question by Dr. Kones!

*Question No.612*

DELAYED CONSTRUCTION OF FRESH PRODUCE  
MARKET IN KONOIN DISTRICT

**Dr. Kones** asked the Deputy Prime Minister and Minister for Local Government:-

(a) the cause of inordinate delay in constructing the Fresh Produce Market at Kaptebengwet Market in Konoin District through the Economic Stimulus Programme; and,

(b) when the work will commence.

**The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Local Government (Mr. Nguyai):** Mr. Deputy Speaker, Sir, I beg to reply.

(a) Konoin Constituency is one of the 210 constituencies meant to benefit from the Economic Stimulus Programme market component. The County Council of Bureti had identified a site at Kaptebengwet for the market. The delay in the construction of the fresh produce market for Konoin was caused by two main reasons. The project was advertised by the Office of the Deputy Prime Minister and Ministry of Finance on 25<sup>th</sup> September 2009, and handled through the CDF framework. My Ministry was supposed to validate awards and contract after getting the requisite tender documents from the CDF. The tender was received from the CDF on 12<sup>th</sup> March 2010.

(b) The Ministerial Tender Committee awarded the tender on 7<sup>th</sup> April 2010. However, the necessary pre-contract documents, that is, the performance bond, programme of work and cashflow, were only presented on 28<sup>th</sup> September 2010. A contract with M/s. Wilkori Building Civil Engineering Contractors was signed on 28<sup>th</sup> December 2010.

Mr. Deputy Speaker, the order to commence work was issued on 4<sup>th</sup> October 2010. The Town Clerk and Bureti County Council had not been able to hand over the site because of the differences between the contractor and the local leaders. The matter is now resolved and work is due to commence within two weeks.

**Dr. Kones:** Mr. Deputy Speaker, Sir, last week, the Assistant Minister answered a similar Question on Cherangany. It is apparent that the Ministry seems to have a problem with capacity to handle this stimulus programme. You can see that since March last year when the CDF met and approved contractors for this programme, it has taken the Ministry close to one year and the contractor has not been on site. The Assistant Minister has said there have been differences between the contractor and the local leaders. Could he tell me the specific differences because I am not aware of any differences?

**Mr. Nguyai:** Mr. Deputy Speaker, Sir, I do not have the specifics of the differences, but I have been told that the differences have now been resolved and work will commence within two weeks.

**Dr. Kones:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to mislead the House that there were differences when there have never been any differences?

**Mr. Deputy Speaker:** Mr. Assistant Minister, the provisions of the Standing Orders are clear that any statement of fact you make must be substantiated. You have already indicated that there were differences that created the extra-ordinary delay in the implementation of the project. What were the differences? That is what the hon. Member is asking.

**Mr. Nguyai:** Mr. Deputy Speaker, Sir, I received the full document a few minutes ago. I would want to look at it in full and give the specifics of what the differences were.

**Mr. Deputy Speaker:** In those circumstances, you are demanding that the Question be deferred to another day?

**Mr. Nguyai:** I would prefer that, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Fair enough. The Chair directs that this Question be deferred to Tuesday next week.

*(Question deferred)*

Next Question by Mrs. Leshoomo.

*Question No.745*

#### REHABILITATION OF BARAGOI AIRSTRIP

**Ms. Leshomo** alimuuliza Waziri wa Uchukuzi:-

(a) kama ana habari kwamba uwanja mdogo wa ndege wa Baragoi katika Wilaya ya Samburu Kaskazini uko katika hali mbaya; na,

(b) hatua atakayochukua kuhakikisha kuwa uwanja huo umerekebishwa.

**Mr. Deputy Speaker:** Waziri wa Uchukuzi! Ningetaka Mawaziri, walioko katika kikao watueleze kwa nini mwenzao hayuko tayari kujibu hili Swali.

**The Minister for Roads** (Mr. Bett): Bw. Naibu Spika, sielewi ni kwa nini mwenzangu hayuko lakini lazima yuko kazini mahali kwingine. Ninaomba Swali hili liahirishwe mpaka labda wiki ijayo.

**Mr. Deputy Speaker:** Bi. Leshomo, Serikali inaomba ipewe muda zaidi. Unaonaje kama Swali hili litawekwa katika Orodha ya Maswali Jumanne wiki ijayo?

**Ms. Leshomo:** Asante, Bw. Naibu Spika.

**Mr. Deputy Speaker:** Nimeamuru swali hili liwe katika orodha ya maswali ya Jumanne wiki ijayo.

*(Question deferred)*

Next Question by Mr. Bahari!

*Question No.760*

#### ISSUANCE OF NATIONAL IDENTITY CARDS IN GARBA-TULLA DISTRICT

**Mr. Bahari** asked the Minister of State for Immigration and Registration of Persons:-

(a) how many persons have applied for national identity cards in Garba-Tulla District since 2007;

(b) whether he could state how many applicants have so far been issued with national identity cards in the district, indicating their respective dates of issue; and,

(c) what measures he is taking to speed up issuance of the document in the district.

**The Minister of State for Immigration and Registration of Persons** (Mr. Kajwang’): Mr. Deputy Speaker, Sir, I beg to reply.

(a)The number of persons who have applied for the national identify card registration in Garba-Tulla District since 2007 is 3,951, broken down as follows:

2007	-	1,780
2008	-	330
2009	-	680
2010	-	970
2011	-	35

Mr. Deputy Speaker, Sir, 156 of these are in process. So, we are talking of 3,951 applicants. The number of applicants so far issued with national identity cards from 2007 is as follows: In 2007, 1,834; 2008, 467; and 2009, 500; 2010; 873; 2011, 177. The total is 3,851. The list shows the dates and the number of candidates issued with the identity cards. I have attached that list.

The department intends to mount a mobile registration exercise to speed up issuance of documents in the district, if it is allocated funds by the Treasury in the next financial year. I wish to table the list for the perusal of the hon. Member.

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

**Mr. Bahari:** Mr. Deputy Speaker, Sir, I am a bit surprised. While thanking the Minister for the answer, from the list he has tabled, the district is shown as Isiolo and from the answer, the district is Garba-Tulla. So, I am not sure how to respond.

Also, in 2007, the applicants were 1,780 but in part “b” of the answer, those issued with the identity cards were 1,834, which means they were more than the applicants. I doubt whether due care has been exercised in giving this answer and whether the Minister can clarify why there is a mix up.

**Mr. Kajwang:** Mr. Deputy Speaker, Sir, the Question as I have it on the Order Paper and as I have it, although asked by the Member for Isiolo South, it was about Garba-Tulla District. I do not know where that mix-up came from. I do not know where the difference came from because I am not sure how the districts have been created now. But the answer I have is for Garba-Tulla District. The mix-up is on the figures of the applicants in 2008, especially where I have said there were 330 applicants, but the answer says that those who were issued were 467. I think I should look at that again and bring a more accurate answer. I am sorry for that.

**Mr. Deputy Speaker:** Mr. Bahari, would you want the Question to be deferred so that you have a more comprehensive answer? The Minister has said that he has noticed some anomaly which is just natural.

**Mr. Bahari:** Mr. Deputy Speaker, Sir, since he has been a friend of mine for a long time, I will allow him that room.

**Mr. Deputy Speaker:** Would you mind next week on Wednesday morning?

**Mr. Bahari:** Mr. Deputy Speaker, Sir, I would prefer the Question to be answered after next week because I will be away on parliamentary business.

**Mr. Deputy Speaker:** I direct that it be answered the week after next week on Wednesday morning. Minister, is it okay with you?

**Mr. Kajwang:** Mr. Deputy Speaker, Sir, I think it is a small mishap which I will get to know and clear.

**Mr. Deputy Speaker:** The Chair has also noticed that whereas you could assume that Garba-Tulla was one time part of Isiolo District, but again from the dates, some of them indicate as recent as 2010.

**Mr. Kajwang:** Mr. Deputy Speaker, Sir, I will look at that.

**Mr. Deputy Speaker:** Fair enough! The Chair directs that this Question appears on the Order Paper---

**Mr. Kajwang:** Mr. Deputy Speaker, Sir, if you allow me; I have some information that explains what I was not sure about. Garba-Tulla District is a new district which was created in 2007 and was a division in the former larger Isiolo District. It has three divisions namely, Garba-Tulla, Sericho and Kina. All the registration activities used to be conducted by the District Registrar, Isiolo. There is a possibility that some of the Garba-Tulla District residents were registered elsewhere within the larger Isiolo District. So, I will look at the details and then I come with a more comprehensive answer.

**Mr. Deputy Speaker:** Fair enough! The Chair directs that the Question appears on the Order Paper two weeks from today.

*(Question deferred)*

Next Question, hon. Letimalo!

**Mr. Letimalo:** Mr. Deputy Speaker, Sir, I apologize for coming late.

*Question No. 456*

#### NUMBER OF CHIEFS/ASSISTANT CHIEFS IN KENYA

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

(a) whether he could provide the details and number of chiefs and assistant chiefs in the country indicating their grades/ranks and their administrative units;

(b) whether he could also provide a list of all chiefs and assistant chiefs in the larger Samburu County promoted in the last five years, indicating their respective new grades/ranks, date of promotion and their administrative units; and,

(c) what the criteria used in promoting chiefs and assistant chiefs in the country is.

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): Mr. Deputy Speaker, Sir, I request for more time to get the details of the 10,000 or more chiefs and assistant chiefs. That information is not yet ready.

**Mr. Deputy Speaker:** How much more time do you need?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): Mr. Deputy Speaker, Sir, I request up to Wednesday afternoon, next week.

**Mr. Deputy Speaker:** You realize you have already had such a long time because this Question was filed months ago. I hope that you will have the answer by next week.

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Lesrima): Mr. Deputy Speaker, Sir, I do apologize. I will try my best. The answer I have on the table is inadequate.

**Mr. Deputy Speaker:** Fair enough! The Chair directs that this Question appears on the order paper next week on Wednesday morning.

*(Question deferred)*

Next Question by Mr. Pollyins Ochieng!

*Question No.738*

ORIGINAL DESIGN OF KPC CAPACITY ENHANCEMENT PROJECT

**Mr. Ochieng** asked the Minister for Energy:-

(a) whether he could provide the original design of the Kenya Pipeline Company (KPC) "Line 1 Capacity Enhancement Project" (Mombasa-Nairobi Petroleum Product Pipeline) and state which firm won the tender for the project?

(b) under what circumstances the tender was split into four (4), who authorized the split and at what point; and,

(c) whether the consultants were involved prior to the advertisement and subsequent awarding of the tender and, if so, if he could provide documentary evidence of the same.

**Mr. Deputy Speaker:** Where is the Minister for Energy! Mr. Kajwang, where is your colleague?

**Mr. Ochieng:** On a point of order, Mr. Deputy Speaker, Sir. This Question actually targets the purported opening of this particular project by the Kenya Pipeline Company where the President and the Prime Minister were duped into opening or commissioning a project that was never there. Is that the reason why the Minister is not here?

**Mr. Deputy Speaker:** Hon. Minister, could you give an undertaking on this Question?

**The Minister of State for Immigration and Registration of Persons** (Mr. Kajwang): Mr. Deputy Speaker, Sir, as early as Tuesday, the Minister will be here to give the answer.

**Mr. Deputy Speaker:** What is your reaction, Mr. Ochieng?

**Mr. Ochieng:** Mr. Deputy Speaker, Sir, I will go by that.

*(Question deferred)*

**Mr. Deputy Speaker:** Next Order!

**POINTS OF ORDER**

APPOINTMENT OF NEW CBK GOVERNOR

**Mr. Imanyara:** Mr. Deputy Speaker, Sir, I have requests for two Ministerial Statements. The first is to the Office of the Deputy Prime Minister and Minister for Finance regarding the filling up of the post of the Governor of Central Bank.

We are aware that this position falls vacant next week. I will seek a Statement from the Minister confirming that the filling up of this position, being a constitutional office, will be transparent, competitive and will be preceded by advertisements so that we do not go into a crisis similar to what we have just gone through with regard to the four nominees to the various constitutional offices.

**Mr. Deputy Speaker:** Order! Mr. Minister, can you give an undertaking on that Ministerial Statement directed to the Office of the Deputy Prime Minister and Minister for Finance?

**The Minister for Immigration and Registration of Persons** (Mr. Kajwang): Mr. Deputy Speaker, Sir, this is an urgent matter and I will inform the Deputy Prime Minister and Minister for Finance to be in the House on Tuesday, next week. I think you will give the Deputy Prime Minister and Minister for Finance time to consult. I also think there is something about the Governor and the board. He will touch on the two issues in the Ministerial Statement.

**Mr. Mbadi:** On a point of order, Mr. Deputy Speaker, Sir. This is the recruitment of the Governor of the Central Bank of Kenya. I think the Government should be very clear on how this process should be done. So, if this House seeks for information, I think it should be provided immediately. In which case, because of the urgency, I request the Deputy Prime Minister and Minister for Finance to deliver this Statement tomorrow in the afternoon.

**Mr. Ogindo:** On a point of order, Mr. Deputy Speaker, Sir. In view of what my colleague has just said, this is a matter of national interest and as the Mr. Imanyara has said, this position will fall due next week. We would like to get the Minister's Statement so that we can engage him in the event it goes counter to the new constitutional dispensation. In that connection, we urge that this Statement be delivered tomorrow.

**The Minister for Immigration and Registration of Persons** (Mr. Kajwang): Mr. Deputy Speaker, Sir, I think that the Questioner would like the Deputy Prime Minister and Minister for Finance here personally. I am sure he would like an in-depth statement on this matter which will dispel any fears that something may not go right. I am not so sure that the Deputy Prime Minister and Minister for Finance will be in Nairobi tomorrow. I think this is a matter that he should deal with personally. He will satisfy all parties that it has been dealt with in-depth and the earliest opportunity after tomorrow is Tuesday.

**Mr. Deputy Speaker:** Fair enough! The Chair directs that this Ministerial Statement be availed to the House on Tuesday next week. Is that okay, Mr. Imanyara?

**Mr. Imanyara:** Thank you. That suits me, Mr. Deputy Speaker, Sir.

#### SAFETY OF KENYANS IN LIBYA

The second Ministerial Statement is with regard to the events taking place in Libya. Last year when I was in Libya, I had the opportunity of visiting a number of Kenyans---



**Mr. Deputy Speaker:** The Ministerial Statement you are seeking is being directed to which Ministry?

**Mr. Imanyara:** Mr. Deputy Speaker, Sir, it is being directed to the Ministry of Foreign Affairs.

**Mr. Deputy Speaker:** Proceed!

**Mr. Imanyara:** Mr. Deputy Speaker, Sir, while in Libya as a representative of the African Union (AU) last year, I had the opportunity of visiting a number of towns and I met a number of Kenyans who said that they had gone to Libya for religious training, but they found themselves being trained as soldiers. I seek a Ministerial Statement from the Ministry of Foreign Affairs to assure this House that there are no Kenyan mercenaries in Libya. If there are any, what steps have been taken to ensure that they are returned home?

Secondly, is the Ambassador and the staff of the Kenyan Mission in Libya safe and will they be returned home as soon as possible?

**The Minister for Immigration and Registration of Persons (Mr. Kajwang):** Mr. Deputy Speaker, Sir, this is a matter that requires some quick investigation just to know the status of the safety of our staff in Libya. It is a matter that has got everybody by surprise, both internationally and here at home. I am sure the Minister is seized of the matter.

I think there should, at least, be some preliminary statement tomorrow even as we continue to investigate this matter so that Kenyans can know that our people are safe. On the matter of mercenaries, it is a more in-depth matter. The Minister will confirm when he will bring a more detailed Statement. However, a preliminary Statement on the safety of Kenyans will be issued tomorrow and I undertake to inform the Minister.

**Mr. Deputy Speaker:** That is fair enough! The Chair directs that this Ministerial Statement be available tomorrow in the afternoon.

Let us move on to the next Order!

## MOTION

### LEVEL OF KENYA'S TOTAL NATIONAL INDEBTEDNESS

THAT, in accordance with the provisions of Article 211(2) of the Constitution; this House resolves that the Deputy Prime Minister and Minister for Finance presents to the Budget Committee of the House within seven days of this resolution, information concerning the loans and debts owed by the Republic of Kenya as at 31st December, 2010 in respect of :-

- (a) Loans to Ken-Ren Chemicals and Fertilizers Company Ltd;
- (b) External commercial debts on Security Related projects as reflected in the 2008/2009 Annual Public Debt report published by the Ministry of Finance and;

Further that the Deputy Prime Minister and Minister for Finance should include all information as enumerated in Article 211(2) necessary to show :-

- i. The extent of the total indebtedness by way of principal and accumulated interest;
- ii. The use made or to be made of the proceeds of the loan;
- iii. The provision made for servicing or repayment of the loan;
- iv. The progress made in the repayment of the loan;
- v. Names of the creditors and the beneficial owners;
- vi. Circumstances that led to the cancellation of contracts on security related projects in 2004/2005 while giving details of the party/parties that refunded Kshs.1,050,702,075.25
- vii. Circumstances that led to the suspension of the repayment of the External Commercial Debts on Security Related Projects;
- viii. The concrete steps taken to recover payments made on Security Related Projects where no commensurate value has been received in return;
- ix. Steps taken to pay off contracts on Security Related Projects that have been validated and;
- x. Action taken against any culpable or negligent officer(s) in regard to acts of omission or commission with respect to (vi) above.

*(Mr. Ogindo on 16.2.2011)*

*(Resumption of Debate interrupted on 16.2.2011)*

**Mr. Deputy Speaker:** Mr. Oyongo Nyamweya was on the Floor. Is he not here? Proceed, Mr. Wamalwa!

*[Mr. Deputy Speaker left the Chair]*

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

**Mr. Wamalwa:** Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support the Motion by Mr. Ogindo. I want to thank the hon. Member, who is my good friend, for bringing such an important Motion at a time when we are, as a country, beginning to appreciate the importance of having a new Constitution. This is a Constitution that apart from Article 211 under which this Motion has been brought, also under Article 35 gives, for the first time, Kenyans a right to information. It is now a right of every citizen to have access to information held by the State.

Mr. Temporary Deputy Speaker, Sir, we must also appreciate the position taken by the two principals yesterday by managing to rise above their differences and diffusing the tension that was threatening the implementation of the Constitution in this country.

We thank the President and the Prime Minister for providing leadership yesterday. Today, this nation is taking a sigh of relief because of what happened yesterday. We are very optimistic that the journey towards the implementation of the new Constitution will now proceed. We hope that with sobriety and putting aside partisan interests we can, as a country and as leaders, ensure that Kenyans enjoy these fruits.

Mr. Temporary Deputy Speaker, Sir, we cannot be blind to our differences which we have as a nation. However, we should not let our differences blind us to the opportunities that the new Constitution has given us as a nation for a fresh start and a new beginning to do things differently. That is why when we have a Motion like this before the House, we must thank the hon. Member for being the first one to bring a Motion under Article 211. It is now open to Parliament to seek and request by a resolution, the Deputy Prime Minister and Minister for Finance to avail all necessary information about the dealings of this Government and about particulars of loans and guarantees.

As we speak, we know that this country has a past that sometimes, as citizens, we do not understand how it happened. We have heard of big scandals that have taken place over the years. If you look at the Motion, you will find that the information we are seeking touches on Anglo Leasing and many Kenyans do not have information about this company. Many Kenyans have heard about Ken-Ren Chemicals and Fertilizers Company Limited. This is a fertilizer factory that was supposed to be established in this country in the 1970s. Up to now, we are, as a country, paying for a fertilizer factory that was never established!

**Hon. Members:** Shame!

*(Applause)*

**Mr. Wamalwa:** Mr. Temporary Deputy Speaker, Sir, coming from the farming community and the bread basket of Kenya, I know the problems that farmers are experiencing. I know that every year, we do prepare our land but we never get fertilizer at the right time. We know that because of the importation of fertilizer from other countries; the delays at the Port of Mombasa and the escalating costs of receiving goods at the Coast because of piracy, farmers are suffering. This is because they do not get fertilizer on time. However, when it arrives at the port, apart from accessing it, it is too expensive for most farmers to afford.

Mr. Temporary Deputy Speaker, Sir, when we have high production cost in terms of inputs in agricultural sector, you will find that the same farmer who has spent over Kshs3,000 in buying a bag of fertilizer is being paid less than Kshs2,000 for a 90-kilogramme bag of maize. Farmers cannot break even. So, unless we, as a country, come up with proper strategies that can ensure that we have accessibility and affordability of inputs for our farmers, we will continue staying on the list of food insecure nations of the world although we have the capacity and land that can enable us produce food for ourselves. We can produce enough food to even feed this country and other countries beyond.

Mr. Temporary Deputy Speaker, Sir, in the 1970s, this country came up with the idea of establishing a fertilizer factory in keeping with the vision of our founding fathers that we, as a nation, must conquer hunger, poverty, diseases and ignorance. About 47 years later, we are still a food insecure nation. The other week, it was very saddening when we listened to, the Minister of State for Special Programmes, hon. Ms. Murugi Mathenge, who issued a Statement in this House saying that up to now close to three million Kenyans are on relief food. Through the Protracted Relief and Recovery Programme (PRRO), the country sets aside money to feed one million Kenyans who depend on relief food. Apart from that, through the World Food Programme (WFP),

another 1.6 million Kenyans in 24 districts of this nation are living on relief food. It is a pity that we are importing food to feed our people when we should have established this fertilizer factory by now. We should have been able to produce our fertilizer by now. We should have been able to increase productivity and feed our nation. But as it is, we are still paying for this loan. We do not understand why or how we, as a nation, should still be paying for this KenRem Chemical and Fertilizers Limited that we have never seen or benefited from.

Mr. Temporary Deputy Speaker, Sir, through hon. Ogindo's Motion, we believe that the Office of the Deputy Prime Minister and Minister for Finance should avail the necessary information for Kenyans to understand how we can be paying for something we never received and how we, as a nation, can still be importing fertilizer and are food insecure. We know a nation like Malawi which has developed strategies in agricultural development and have been able in less than ten years to reverse the situation from food insecure nation to a food secure nation. Indeed, Malawi is now producing food in surplus. It is not just only producing enough to feed her people, but they are also able to export this food.

Mr. Temporary Deputy Speaker, Sir, we believe that Kenya has what it takes. We believe that if we can have the necessary information, we will understand this animal called KenRen Chemical and Fertilizers Company Limited. We will also be able to avoid falling in the pitfalls of the past. Before this House, after this Motion, I have proposed a Motion for the establishment of a fertilizer factory. But through hon. Ogindo's Motion, we can actually identify the pitfalls that led us to company. We can actually through getting this information, know how we can avoid falling into the same trap. We can know how we can remove this burden on the shoulders of Kenyans because of the billions of shillings that are still being paid today even as I speak. I believe through this Motion, we will be able to get the details of what is outstanding.

From hon. Ogindo's presentation, we realize that part of the public debt that now stands at Kshs4.8 billion. Part of this huge balance, we have about Kshs4 billion that is owed to this Belgium entity known as Ducroire and we have Austrian Company, Bawag, on account of KenRen Chemical and Fertilizer Company Limited.

Mr. Temporary Deputy Speaker, Sir, I support this Motion. I want to urge the Government through the Ministry of Finance to provide the necessary information to Kenyans. They can also provide this information through the Budget Committee, so that we can fully address this matter.

With those few remarks, I beg to support.

**Mrs. Shebesh:** Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me the opportunity.

From the onset, I support this Motion. I want to thank the hon. Member who has brought this Motion because it deals with an issue that is about to gain the infamous title of being a historical injustice, simply because we never get information on these issues. We thank God that the new Constitution in the provisions of Article 211(2) allows us now to ask the difficult questions that for long the Government has been able to use the excuse that these are issues of national security and, therefore, cannot explain, where billions of our shillings go to these companies. To me, this is really one of the beauty of this new Constitution.

Mr. Temporary Deputy Speaker, Sir, on the issue of KenRen Chemical and Fertilizer Company Limited, we have been told that this is a white elephant. Honestly, there is no such factory. Yet, Kshs4.8 billion of taxpayers' money was sunk into this project. To me, the fact that we still talk about it shows how impunity continues in this country. By now people should have been arrested. This loan should have been stopped being paid because it is being paid to a fictitious company. We are not being given justification why we should continue paying for this loan. That is why this Motion calls upon the Deputy Prime Minister and Minister for Finance to tell us clearly what this company is all about and who authorizes the money to be paid to this fictitious company. This is an issue of national concern.

Mr. Temporary Deputy Speaker, Sir, you have heard the previous colleague talking about the cost of fertilizers in this country. Every year, we hear the Government saying that if we had our own fertilizer company, we would have had less problems and that our farmers would access affordable fertilizers. That is why I look forward to elapse of seven days in which he will give us an explanation for this. I believe that there has been some criminal activity. I believe people will have to resign and others will have to be arrested.

Mr. Temporary Deputy Speaker, Sir, on the issue of the external commercial debts, we have talked about Anglo Leasing scandal for so long. The Director of the Kenya Anti-Corruption Commission (KACC), Prof. PLO Lumumba, has spoken a lot about his commitment to fighting corruption and bringing these big volatile files to close. He has also spoken about Anglo Leasing without a lot of confidence because of lack of information. The Government is refusing to co-operate. I also believe that a foreign Government, which is the British Government, has a lot to do with the information that Prof. PLO Lumumba will need in terms of executing these files on Anglo Leasing. I know the British Minister is in the country. A few of Members of Parliament met him and we raised our concerns on the mutual legal assistance. I know that he has met the Director of KACC, Prof. PLO Lumumba. I also know that he has met a few Ministers, including the Ministers who were there during this Anglo Leasing scandal. I hope he will ensure that the issue of mutual legal assistance will be fast-tracked and, therefore, we will be able to put this ghost to rest, once and for all. Until and unless he is able to recover billions of shillings that were lost through this scandal, empty words will not help us. We want to see more action in his work. Anglo Leasing scandal is one of those where we want to see a lot of work done. Once we pass this Motion, I believe he will be able to move with speed and recover some of this money.

Mr. Temporary Deputy Speaker, Sir, the last thing I want to speak about is on the cancelation of a contract which led to the refunding of Kshs1 billion. This is really something that whoever did it must be congratulated. We would like to know who it is. If somebody did a good deed and we ended up being paid Kshs1 billion which they did not deserve, it is quite commendable. I believe the Minister is obliged to tell us, as a House, which company it was, under which circumstances that contract had been given, why it was cancelled and how then that particular company returned Kshs1 billion. I do not believe it should just be that money was returned. It should be known who returned the money and under what circumstances. This is an issue that needs to be, at the end of the day, made clear to Kenyans. The new Constitution, as I said, in Article 211(2) insists on that.

Lastly, we demand to be given the names of creditors and the beneficial owners of the monies that we said is fictitious. We do not want to be given just names of companies. We want to be given names and the people who own those companies because, fortunately or unfortunately, Kenyans will know those people by name. These companies have big names but they also have local shareholding and directors who are Kenyans. The Kenyans are people who are known; who have become billionaires overnight and as you know, the law has always been very selective when it comes to targeting of millionaires and ordinary wananchi. The billionaires know that the law will never catch up with them and, therefore, they can hide under fictitious companies and continue to get big contracts in the Government. It is about time we knew those companies and who the beneficiaries are. At the end of the day, dealing with impunity is not just a matter of talking about it. It is about action and this Motion will allow us to start that action.

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

**Mr. Mungatana:** Mr. Temporary Deputy Speaker, Sir, I want to take this opportunity, first of all, to congratulate Mr. Ogindo, who is a fellow Member of the Committee on Budget. He has been very consistent in bringing up issues that affect public finance. So, first of all, I want to thank him because he has managed to bring this Motion to the Floor of the House. I also want to congratulate the person who seconded him for the good work and words; and all the hon. Members who have supported this Motion.

I have just three quick points that I want to make on this Motion. First of all, I want to repeat what has been said by fellow speakers who have spoken before me. This is a new era in the Constitution. The country now is operating from a completely different era that was brought about by the passage of the new Constitution. I want to specifically quote Chapter 12 on public finance which states in Article 201 that one of the guiding principles in the management of public finance is: "There shall be openness and accountability, including public participation, in financial matters." This Motion, if I may begin from there, is simply asking the Deputy Prime Minister and Minister for Finance to, within seven days of the resolution of this House, provide information concerning the loans and debts owed by the Republic of Kenya as at 31<sup>st</sup> December, 2010. Then, it goes on to list the specifics!

Mr. Temporary Deputy Speaker, Sir, the constitutional principle of openness, therefore, beckons the Minister to comply with this Motion as soon as possible. In fact, it should not be a matter of this House to debate and prompt him to comply. If the Treasury is listening and it is present here – it is not here; the Assistant Minister is not here--- But if I were them, I would concede to this Motion even before the resolution is made and provide the necessary information on Public Debt so that Kenyans can see that there is transparency in the Treasury. That transparency has been lacking for very many years. Even for us who are in the Budget Committee, we struggle to get information from the Treasury. We struggle to get people to answer questions like this. We struggle because the Treasury is still managed by the old mentality of shackles of secrecy and secrecy of monies that does not belong to them but they belong to the entire nation. I want to urge this House to quickly pass this Motion and the Treasury should quickly comply with the requirements of this Motion.

The second point that I want to make also borders on the Constitution. The other principle of public finance stipulates that the burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations. We are being unfairly burdened in this generation through loans that were given to KenRen Chemicals and Fertilizer Company Limited which was supposed to be located in Mombasa, somewhere in Tudor near our old neighborhood when we were growing up. I can confirm that there is no such factory in that place. I do not think there is any hope and yet, in the time that the loan was contracted when we were little boys until today, we are still carrying the burden of paying for a product that does not exist.

Mr. Temporary Deputy Speaker, Sir, this is contravening the Constitution. The new era demands that we must share equitably the burdens and the benefits of the resources of this country. Borrowing is a resource but debt cannot be unfairly and inequitably distributed between the people who borrow and the generation that is paying. If we do not stop it, there is another generation of our children who will be paying for a non-existent product. This must stop! This is my second reason why I think the House must agree to a resounding yes to completely stop those KenRen and associated Anglo Leasing debts. That brings me to the third and final point which is critical.

Every year, the Minister for Finance comes here to read the Budget to the House and the nation. In that Budget, there are two aspects to the allocations of the finances from the Consolidated Fund. The first aspect is called non-discretionary charge on the Consolidated Fund. Public debt is one of those non-discretionary charges on the Consolidated Fund. The other one is where he tells us we will do this or that. That is the discretionary part of the Budget. He tells us how he will raise the money and things like that. But this country has never been told clearly on the mandatory part. We have never been told how the debts will be paid. We are told: "This is an external loan and it has to be paid."

Mr. Temporary Deputy Speaker, Sir, we are told these debts have to be paid. We are told these are international commitments and we should not question them. Parliament has been debating a lot of things. However, it does not debate the biggest chunk of the money that is used to pay debts. The Deputy Prime Minister and Minister of Finance comes here and says, "This one do not touch." This is where the biggest rip off of the funds that we raise so painfully while working, takes place. This is where the public debts that we are told we cannot question go. This is where Anglo Leasing scandal continues.

I came to discover as I was sitting in the Budget Committee that there are other debts this country has been paying. For example, there is the Asian Widows and Widowers Pension. Since Independence to date, we are still paying this money. If you look at the budget, you will see that aspect is lying on the charge to the Consolidated Account. The Minister will come here and say that these are non-discretionary payments that we, as a nation, must make. When you start questioning the payment of these debts, they bring up some very old two page Acts. They tell us we need to abolish or amend those Acts. They say that these Acts have been there. We are told that we do not have to question them because they have been there. We have continued to pay this money. Parliament has never had an opportunity to debate on these debts.

These are things we cannot explain. Even if people were widows in 1964, surely, they must be dead. How long does a human being live? That widow must be suffering

day and night if she is a true widow grieving the departure of her spouse. These Acts of Parliament have been a burden to this nation.

I beg to support this Motion and say that we must have transparency and change in the management of debts.

**The Assistant Minister for Nairobi Metropolitan Development** (Ms. Ongoro): Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to support this Motion. I want to start by thanking the hon. Member for introducing such a Motion.

**The Temporary Deputy Speaker** (Mr. Imanyara): Are you responding on behalf of the Government or you are making your contribution?

**The Assistant Minister for Nairobi Metropolitan Development** (Ms. Ongoro): No, I am making a contribution.

Mr. Temporary Deputy Speaker, Sir. It is quite shocking that even under this new constitutional dispensation we can still talk about such big white elephants as the KenRen Chemicals and Fertilizers Company.

It is true that we have a new Constitution which has provisions that give every Kenyan a right to know how public finances are expended. We cannot expect Kenyans to continue paying taxes while we deny them an opportunity of knowing exactly what their money is used on.

Mr. Temporary Deputy Speaker, Sir, it is not right for any Kenyan or human being to consider themselves independent when they do not understand the extent to which they are indebted and to whom they are indebted. Therefore, this Motion must be supported by the Government side and all Kenyans represented here by hon. Members. We should not just talk about having a new Constitution, but we must show as legislators, that we support the spirit contained in the new Constitution.

Up to now we are still paying loans that are questionable and which have been the subject of investigations even under different management of the Kenya Anti-corruption Commission. It is really not right that we can call ourselves an independent country supporting the independence of certain institutions when their findings that have been presented in this House are not being acted upon.

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

**Mr. Mwadeghu:** Bw. Naibu Spika wa Muda, naomba nichukue nafasi hii nitoe mchango wangu juu ya Hoja hii. Kwanza, ningependa kumpongeza Bw. Ogindo kwa kuleta Hoja hii hapa Bungeni

Katiba yetu ya sasa inatupa nafasi ya kuelezana mambo kwa uwazi. Huu ni uwazi wa makadirio ya pesa na shughuli za Serikali kwa jumla. Mara nyingi makadirio ya pesa za Serikali yanaficha mambo mengi. Hoja hii inalenga madeni ya Serikali yetu na kutaka yawekwe wazi.

Kwa nini Serikali inaona shida kuwaambia Wakenya kuwa kabla tupate Uhuru kulikuwa na madeni haya, na tangu tupate Uhuru tumekuwa na madeni haya mpaka siku hii ya leo? Wakati mwingine Kamati inayohusika na matumizi ya pesa za Serikali hapa Bungeni humwalika Naibu Waziri Mkuu na Waziri wa Fedha kuja mbele yake ili aeleze juu ya deni letu. Yeye huona vigumu kuja mbele ya Kamati na kueleze wamekopa kiasi gani cha pesa. Inakuwa ni vuta ni kuvute.

Hoja hii inaipa nafasi Bunge kumshurutisha Waziri wa Fedha kufika mbele ya Bunge na kueleza mengi kuhusu deni la Serikali. Ni lazima aeleze kinagaubaga deni la Serikali.



Bw. Naibu Spika wa Muda, naomba pia niaangazie haya ambayo yamesemwa na wenzangu kuhusu mikopo iliyochukuliwa na mashirika kama Kampuni ya utengenezaji wa mbolea; Ken-Ren Chemical and Fertilizers Company Limited. Mkopo huu ulichukuliwa wengine wetu walipokuwa shuleni. Pesa hizo zilienda wapi? Hakuna mtu yeyote analifahamu jambo hili na mpaka sasa tunaambiwa tulipe pesa hizo. Waliokopa pesa hizo ni akina nani? Je, ni ukweli Serikali haijui ni akina nani waliyokopa pesa hizo?

Kuna mtambo wa nyama ambao ulikuwa unajengwa huko Ngong uliojulikana kama Halal Meat Farm Factory. Mpaka leo, tunalipa mkopo uliyochukuliwa kujenga mtambo huo. Ni jambo la aibu kuwa tunalipa pesa hizo na hakuna mtu anayejua wanaolipwa ni akina nani. Katika lugha ya Kingereza mtambo huu kwa sasa ni “white elephant project”. Miradi kama hiyo ni mingi nchini, na tunaendelea kulipa deni za Serikali. Pesa hizo zinalipwa akina nani?

Barabara ya Voi hadi Taveta ni mbaya muno. Makadirio ya Serikali ya 1960s hadi 1970s inaonyesha pesa nyingi zilitengewa barabara hii. Pesa nyingi zilikopwa kutoka kwa mataifa wafadhili na barabara hii ikatengenezwa. Barabara yenyewe haina lami. Ni aibu iliyoje kuwa mkopo huo unalipwa hadi sasa!

Bw. Naibu Spika wa Muda, kama wenzangu walivyosema, wakati tulipokuwa tunapata Uhuru, kuna Wazungu na Wahindi walioondoka kutoka hapa nchini. Kulingana na haki zao, ilikuwa wawe wakilipwa marupurupu ya kustaafu lakini wanaendelea kulipwa hadi sasa. Wajane wao wanaendelea kulipwa. Ukiomba orodha ya watu wanaolipwa huko Uingereza, huwezi kuipata. Je, watu wanaolipwa pesa hizo ni akina nani? Kwani ukiwa unadai deni, mbona usimtambue na useme fulani ana deni langu? Alinikopa pesa fulani na ndio sababu ninamlipa. Mpaka leo hakuna hata mmoja anayetambulika kama yuko hai au amefariki lakini hizo pesa zinalipwa.

Hoja hii ni mhimu kwetu wakati huu ambao tunataka tuanze maisha mapya kuambatana na Katiba mpya. Tunataka kila kitu kiwe wazi. Tunataka tuwajue wale waliokopeshwa pesa au walikopa pesa. Tunataka tujue tulikopa pesa kutoka kwa akina nani. Tunataka kujua ni akina nani walifanya miradi ambayo ilikuwa ya Serikali wakati huo na kadhalika.

Kila mara Waziri wa Fedha huja hapa na kusema ni lazima tulipe pesa hizi. Wabunge huulizwa kupitisha Hoja na Miswada ya kuhakikisha pesa hizi zimelipwa bila kuuliza maswali mengi. Inakuwa ni lazima zilipwe. Wakati umefika mambo haya yote yawekwe uwazi. Ni lazima wananchi wetu wajue deni la Serikali na ni akina nani wanalipwa pesa hizo. Tuelezwe wazi wazi pesa hizi zilikopwa kufanya mradi fulani na kadhalika; tumekopa hapa na tumelipa kiasi hiki na kile. Haya yote yanakuwa ni shida kueleza.

Bw. Naibu Spika wa Muda, kwa hayo machache ninaunga mkono.

**Mr. Njuguna:** Mr. Temporary Deputy Speaker, Sir, I want to take this opportunity to contribute to this very important Motion. First of all, let me thank the Mover of the Motion, Mr. Ogindo, for bringing this very timely Motion. I also support the spirit and content of the Motion. You will realize that this country has continued to accumulate debts. It is, therefore, important that Kenyans are well informed of those debts and the paying programmes so that our country is not taken hostage by people who have loaned money to our country.

Presently, about Kshs1.2 trillion is already loaned to our country. We want to understand the measures the Government is taking to reduce those huge debts. Recently,

we heard about the Greek Government that went overboard in terms of borrowing. The country was already being auctioned. The Greek Government was lucky because it had some islands it could dispose of. Owing to that development, the European Union came to bail out the Greek Government. We do not want national security or the peaceful state of this country to be threatened by debts.

This Motion gives a very interesting scenario about KenRen Chemicals. Some money was invested to start a fertilizer company in this country. Lack of that factory has created a lot of hardships and difficulties in this country. Poor roads, as a result of that investment, have continued to be a feature in our country. Our hospitals have continued to run without medicine. Even HIV/AIDS victims have been going without the necessary drugs. But the Minister is making plans, through Kenya Medical Supplies Agency (KEMSA), to avail those drugs. Availability of water in some regions has become a nightmare. We have not started irrigation schemes to fight poverty in our country. The money that went to Ken-Ren Chemicals should have gone into the education sector to expand our secondary and university education. We should have started a polytechnic to offer a learning environment for students in this country. Therefore, that was a poor investment and it should be stopped immediately. We also note, from the Motion, that some unknown characters have already refunded money to the tune of Kshs1 billion. We want to know whether it was only Kshs1 billion or Kshs3 billion that should have been refunded. The KACC should be asked to embark on real investigations regarding that particular matter. The people who sanctioned that “white elephant” should be arrested and arraigned in court. The illegal payments that are still going on should be discontinued immediately. This country should be led on a very transparent and accountable path because its future lies with the youth. The youth should inherit that culture from the current generation of leadership. That is what we should provide.

Mr. Temporary Deputy Speaker, Sir, if you can remember, there are very needy people who go to the Kenyatta National Hospital (KNH) in search of good healthcare. After getting treated, they are not able to pay their medical fees. That money should have gone to KNH and be used to bail out those people so that they can engage in gainful activities in this country. At times, our procurement systems have crippled our operations in this country. I recall the famous police vehicles, Mahindra, which were bought. A lot of money was invested in that project. However, the vehicles did not render us any service. Our Government, which is led by a very competent economist - His Excellency the President - should give direction in that area.

Fertilizer prices have not gone down. The prices have continued to go up and a bag is now retailing at Kshs2,800. That is rendering the farming community paupers. It is important, therefore, that fertilizer prices are reduced so that our country can become self-sufficient in food production. We should start exporting maize and peas to neighbouring countries. That cannot happen if we do not facilitate that poor farmer to access fertilizer at a fair price.

As I conclude, I wish to take this opportunity to thank His Excellency the President and the Right Honourable Prime Minister for their collective responsibility and heeding to the cries of Kenyans on the political crisis that was facing this country. The crisis had forced the value of the Kenya Shilling to go down and threatened the tourism sector. The action they took will go to the annals of history. It will show that they redeemed our country.

I fully support this Motion.

**Mr. Magwanga:** Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to thank the Mover for moving this Motion. The Motion is very timely and, more so, after we passed the new Constitution in this country. There is a tradition in this country that is very worrying; lack of openness. Things are done in a way that people do not know what is happening. This Motion by Mr. Ogindo tries to make the Ministry and the Government accountable to the people of Kenya. The people of Kenya are known to make very good policies. Once those policies are made, very little is done in terms of follow up to ensure that they are implemented. In accounting, there is what we call the income and expenditure account. The income and expenditure account must balance. So, when we talk about public debts, when the country owes other countries, the debts must be reflected to balance our accounts. I wonder whether the income expenditure account of this country has been balancing. The Ministry should actually be able to tell the country how it is balancing its income and expenditure accounts for every year - I hope that will satisfy the people of this country.

With regard to public debts, we normally borrow debts to pay capital expenditure and sometimes recurrent costs. When we invest whatever we borrow wisely, then we are likely to realize the value of that loan. However, if it is not prudently managed, then the country will continue to incur so many debts and it is likely to be auctioned by other countries or creditors. Prudent management is key to survival of every country. Good policies are good for a country. I would actually encourage the Ministry to apply good policies to ensure that whatever we ask from our well wishers and neighboring countries, we pay and account for it. Surprisingly, every year, whenever the Budget is being read, we allocate little funds to our projects. Most times we rely on grants and external debts. I want to put it clear to the Government: When will this country rely on its own revenue and fund its own Budget?

It is sad to realize that the countries that got Independence at the same time with Kenya are able to finance their own budgets and rely very little on external debts. We would wish Kenya to rely on its revenue. This will only happen if we manage our taxes well, just like those other countries. This is because the countries that we normally rely on only collect their taxes and rely on them. We, therefore, want to encourage prudent management of our taxes in order to enable us fund our national budgets every year.

If there was good management of our resources, this country would not be in the same position it is today. In Kenya, we lack so many things. Our children may not go to school because of poverty; our roads are full of potholes; and we rely on relief food. It is terrible for a country which attained Independence 47 years ago to rely on relief food and also external debt to fund its Budget.

Mr. Temporary Deputy Speaker, Sir, it is because of poor management of resources that our people are still relying on such things as relief food. I want to encourage the Ministry to come out openly and tell us how it is going to manage our public debt. About two years ago, we authorized in this House the release of about Kshs800 million to be used in the importation of maize. However, we do not know where the maize went to. So, we are paying debts for monies which might have actually ended up in people's pockets.

When the Ministry of Finance instructs other Government departments that they expect accountability, and yet there is no accountability and openness in the same

Ministry, how can other Ministries give proper accounts to the Ministry of Finance? We are asking the Ministry of Finance to state the public debt. It should make it open to the people of this country. We need openness and accountability.

The Central Bank of Kenya (CBK) has a Governor. What is worrying us is that there was a Deputy Governor who was appointed. However, we hardly hear or see the Deputy Governor working. Much as the Minister will make these matters open, we would also like to know the whereabouts of the Deputy CBK Governor.

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

**The Temporary Deputy Speaker** (Mr. Imanyara): I would like to know whether there is intention on the part of the Ministry to respond today. This is because I want to know how to allocate the remaining time.

**The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance** (Dr. Oburu): Yes, Mr. Temporary Deputy Speaker, Sir.

**Mr. C. Onyancha:** Mr. Temporary Deputy Speaker, Sir, I want to support this Motion. However, as I do that, I want to agree with my colleagues who have talked about gross mismanagement of resources in this country.

Mr. Mwadeghu mentioned about the Halal Meat Factory. The Ken-Ren has been a subject of interest since 1975 when the Government of Kenya entered into a contract with Enren to establish Ken-Ren Chemical and Fertilizers Limited. A lot of money changed hands. These foreign investors who were partners of some Kenyans went underground and disappeared with all the money that had been invested by the Government. The Company went into liquidation in 1978 – This is a very long time ago. Indeed, 34 years ago is not a short time. This matter has been going on without any solution. The Public Accounts Committee (PAC) has examined this matter for so many years and even given recommendations which have not been followed.

The Government as the guarantor of these loans should have made sure that in guaranteeing it, it had a fall-back position on how to recover it. What concerns us, however, is the arm-twisting of foreign governments to support their banks because some of the funds which were guaranteed were from a bank in Austria which eventually sought its Government's assistance. When Kenya went to the Paris Club in 2000 to request for assistance with regard to rescheduling of its loans, the Austrian Government put a caveat forcing the Government of Kenya to accept to repay the debt. I see this arm-twisting from our development partners as being completely unacceptable.

Mr. Temporary Deputy Speaker, Sir, in this particular matter of Ken-Ren Chemicals and Fertilizers Company Ltd, with regard to the Government guarantee that was made; one of the claimants was a company called "Voest Limited", which went to court and was granted the value of US\$3 million as a refund that was due, due to the guarantee that was made and this company not being able to deliver. It is shocking to note that even after the Government of Kenya got that award from court, it failed to collect it.

The Public Accounts Committee (PAC) Report on the Accounts of the Government of Kenya for Financial Year 2006/2007, which I have here, was laid on the Table of this House a couple of years ago. The recommendations in it indicate that nothing had been done. One of the recommendations of the PIC was that the KACC takes up this matter and seriously prosecutes it, because the Attorney-General had failed to

prosecute the matter to its logical conclusion. I want to suggest that the KACC looks at the reports of this House's watchdog Committees and takes them seriously.

Mr. Temporary Deputy Speaker, Sir, on the issue of fertilizers, no Kenyan on any single day can do without the effects of fertilizers. We recently heard from the Government that it had established a revolving fund for fertilizer importation in order to make this agricultural input cheaper for the farmer but, apparently, that fund has either collapsed or it has not worked at all. We would like to call upon the Government to review its position on this matter and ensure that the revolving fund is actually in place in order to make fertilizers cheaper for the farmer.

Along the same lines, hon. Wamalwa is introducing a Motion for the establishment of a fertilizer factory in this country. As much as we might support that Motion, when it comes to Government doing the feasibility studies and allocating funds to the factory, we hope that the same mistake relating to Ken-Ren Chemicals and Fertilizers Company Limited will not be repeated.

With those few words, I beg to support.

**The Temporary Deputy Speaker** (Mr. Imanyara): Assistant Minister, it is your time to respond. You have 20 minutes. If you do not wish to utilise the entire 20 minutes, you may donate some minutes to your colleagues. What is your position? Would you like to donate some minutes to two of your colleagues?

**The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance** (Dr. Oburu): Mr. Temporary Deputy Speaker, Sir, I wish to donate three minutes to hon. Kajembe.

**The Assistant Minister for Environment and Mineral Resources** (Mr. Kajembe): Mr. Temporary Deputy Speaker, Sir, I stand to support the Motion.

I am very much concerned about the fertilizer plant that was supposed to be put up by Ken-Ren Chemicals and Fertilizers Company Ltd. This plant was to be built in my constituency at a place known as "Chaani". This happened many years ago, and the project was abandoned by past regimes. An agreement was reached amongst the Government of Kenya, the fertilizers company and the Kenya Ports Authority (KPA); that in the event that project lapsed, the ownership of the piece of land on which the factory was to be built would revert back to the KPA. The project did not take off.

Mr. Temporary Deputy Speaker, Sir, as the Member of Parliament for that area, together with my residents, we approached the KPA and asked them to give us a piece of land. The people wished to put up a high school. We also requested that part of that land be availed for settlement of squatters. The Provincial Administration wrote to the KPA, but they did not get any reply at all. As the MP for Changamwe, I applied on behalf of my people for a piece of land for the same purpose, but I did not get any reply from the KPA.

A number of land grabbers have gone to that area and attempted to get that piece of land but we have been standing firm and saying that it will not happen. I have been consulting with colleagues in the Government with a view to having that piece of land given to the people of Chaani to put up a settlement scheme for themselves, because majority of them are squatters. We have also requested to be given part of that land to be used for putting up a high school for the local people, but the KPA has been very difficult in terms of accepting this idea from the people.

Mr. Temporary Deputy Speaker, Sir, therefore, the Government should do all it can to secure that land for my constituents and set up a settlement scheme for them.

With those remarks, I beg to support.

**The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance** (Dr. Oburu): Mr. Temporary Deputy Speaker, Sir, I want to donate another three minutes to hon. John Mututho.

**Mr. Mututho:** Mr. Temporary Deputy Speaker, Sir, I thank the Assistant Minister. I want to make very good use of those three minutes.

I would like to start by advising that the Minister has nothing to do with some of the mess for which we are blaming him. These are contracts which were entered into by people who had ulterior motives. So, I would recommend to this House that we adopt a strategy of hiring international investigators and international attorneys such as Church & Church of UK, who have been on this business for over 200 years, specialising on contracts which are based on fraud and dubious characters, so that we can find a way of getting out of this mess. There is little we are getting from the Attorney-General's Chambers.

Mr. Temporary Deputy Speaker, Sir, every time we go deeper and deeper into this problem, I sympathise with Treasury, who are crucified for sins they did not commit. The Treasury tries to escape one way or the other, but they are fixed by their own people. So, I would recommend that we advertise, within this financial year, for serious international investigators to come and investigate the many "John Mututhos" of this country with a view to recovering the money we lost through this mess. From there onwards, Treasury can engage in financing productive sectors like the new proposed fertilizers factory, which is a worthwhile project. We can also go into agricultural production, so that we do not have the service industry taking up everything at the expense of the production sector.

I thank the Mover of this Motion for coming up with such useful ideas. I look forward to Treasury not viewing us as adversaries but rather as allies so as to make sure that in the next couple of days, through this House's Budget Committee, we help Treasury to get out of this mess, so that Kenya can progress forever.

With those remarks, I beg to support.

**The Assistant Minister, Office of the Deputy Prime Minister and Ministry of Finance** (Dr. Oburu): Mr. Temporary Deputy Speaker, Sir, first, I would like to thank the Members for the contributions they have made to this Motion. I also want to thank the Mover for prompting us to give information, which is our obligation, as a Ministry, to provide to the members of the public. In fact, we do publish quarterly the position of public debt every year; we also have annual reports which are published. Some of the issues which are raised in this Motion are actually a subject of the Public Investment Committee (PIC). Some of them are in the Public Accounts Committee (PAC). These are subject to audit queries, which have been raised and discussed in this House for very many years; an example is the issue of Ken-Ren. It is an issue which was at its time a scandal, which actually has been discussed over and over again. It has not been resolved. I hope that we shall put our heads together and see how we can resolve some of these issues.

Mr. Temporary Deputy Speaker, Sir, the issue of debts is very crucial to this country because the taxes that we collect are not sufficient to meet our needs. In order to fill the gap, we seek to get involved in debts. Our priority, as a Ministry, in relation to

debts is to be very cautious in accessing loans; we prioritize grants. Second to grants, we go to what is called concessionary loans. Concessionary loans are received and negotiated with multi-lateral institutions like the World Bank, the African Development Bank (ADB), the Japanese Development Bank, the Chinese Development Bank and so on and so forth. These are loans which are for long-term; they are concessionary in the sense that the interest rates are very low, that is between 1.5 and 2 per cent, and with grace periods of up to ten years and repayable for over a period of say 40 years. These are the type of loans which we give priority.

Mr. Temporary Deputy Speaker, Sir, but when we cannot fill the gaps with those concessionary loans, then we go for commercial loans. But we take these loans very cautiously; the ones which are received from foreign banks sometimes appear to be cheap in terms of the low interest rates, but they are expensive because of the foreign exchange fluctuations. As you are aware, you end up paying more money than if you had a local loan with higher interest rate.

Mr. Temporary Deputy Speaker, we also have what is called “domestic debts”. Domestic debts are incurred in terms of issue of bonds and bills, which are either short-term or short-term, when we come to bonds. We have started now issuing what are called “infrastructure bonds”. These are long-term bonds with a life of between 15 and 20 years. The first one which we floated was in last year; it was for about Kshs16.5 billion, and we got over subscription. When we floated it first we thought it was not going to be a success. The second one which we issued for Kshs26billion was also very successful. It was also over-subscribed.

Mr. Temporary Deputy Speaker, Sir, we seek the support of the House. In fact, very soon we will be coming to the House to increase our debt limit, which is because the economy is expanding. Our Budget requirements are expanding and, therefore, we need to increase the limits of our debt levels. All the information required here--- We want to say that we will provide it as demanded by the Mover of the Motion. We will provide all this information through the House Budget Committee within seven days. We have all this information available in our publications, which are already available. Some of it is in our records which we shall readily avail to the House.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Imanyara): Mr. Ogindo, it your time to reply.

**Mr. Ogindo:** Thank you, Mr. Temporary Deputy Speaker, Sir. Allow me to thank hon. Members of this House, who have taken their time to research on this matter and have constructively contributed to it.

Mr. Temporary Deputy Speaker, Sir, I want to start by thanking hon. Mbadi who ably seconded this Motion. Hon. Nyamweya made valuable contributions in support. Hon. Wamalwa, hon. Shebesh, hon. Mungatana, hon. Ongoro, hon. Mwadeghu, hon. Njuguna from Lari, hon. Magwanga, hon. Onyancha, hon. Kajembe, hon. Mututho and, of course, not to forget the valuable commitment from the hon. Assistant Minister, Dr. Oburu Oginga.

Mr. Temporary Deputy Speaker, Sir, I appreciate the commitment from the Assistant Minister, but from the outset, allow me also to add that some people were asking: “What mischief is in this Motion”? I want to say that there is no mischief. On behalf of the committee, I believe we are seeking to establish about three things. One, we

want to secure transparency and accountability in our debt portfolio. It is by subjecting it to public scrutiny that we secure the same, and I believe it is a constitutional and legal way of doing it. The other thing that we seek to secure with this Motion is that from the contributions made, there is a common denominator that most of these debts are somewhat fraudulent. In their fraudulence, lenders exploit our weak legal system. The External Loans Act and the Borrowing and Guarantees Act have got gaping loopholes. In view of the new Constitution, it is imperative that this House and, particularly, the Ministry of Finance should move with speed so that we can update our relevant legislation to seal these loopholes.

Mr. Temporary Deputy Speaker, Sir, the third reason why this Motion is important is because today as we speak, our debt levels stand at Kshs1.3 trillion, and debt is a puncture in the Consolidated Fund. In our discretionary expenditure, the debt element takes about 20 per cent. Twenty per cent of Kshs1 trillion is around Kshs200 billion. We seek to free funds from this debt repayment, so that they can be available for service delivery. We can only do this by sealing the loopholes that are exploited to get money out of public coffers in form of the public debt. I have in mind situations where the law has been exploited to convert ordinary pending bills into public debt. I am aware that a commission was established, and I hope that its findings will be made public.

Mr. Temporary Deputy Speaker, Sir, the other thing is equity in debt management. Hon. Mungatana pointed out here that it is immoral for the present generation to take advantage of the absence of future generations, and exploit the weak laws to engage in borrowing that will be paid by the future generations. Out of morality, we need to know that our children are the future generations and we need to seriously be mindful of them, more so when we know that these debts have no benefits to them and yet they have a burden that they cannot escape from. It is also important to point out that the United Kingdom (UK) Government has been persistently and consistently offering mutual legal assistance to help unravel some of these debts, particularly the ones that have got to do with security matters but this offer has not been taken up. It is important that we get an opportunity to particularly persuade the Government and the Office of the Deputy Prime Minister and Ministry of Finance to take up this opportunity so that we can unravel the mystery.

Mr. Temporary Deputy Speaker, Sir, the other thing is that through the public debt, as rightly put by Mr. Mungatana, we are still paying pensions to the Asian and European widows. These payments go through the Crown Agents. No one has lifted the veil to see who the beneficiaries are. Upon this information being availed to the Committee, I intend to persuade the Committee to go beyond the Crown Agents and see who the actual beneficiaries of the pension monies are.

With those remarks, I want to thank the Minister for his commitment. We look forward to a fruitful engagement so that this country can benefit from the oversight role that this Parliament is meant to play.

With those remarks, I beg to move.

*(Question put and agreed to)*

ESTABLISHMENT OF FERTILIZER FACTORY IN KENYA



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

THAT being aware of the need to establish a fertilizer factory in the country, noting the efforts made so far by the Government of Kenya both nationally and regionally in setting up such a factory, conscious of the suffering of farmers for lack of readily accessible and affordable agricultural inputs especially fertilizer, appreciating the need to enhance productivity in order to ensure national food security, this House resolves that the Government takes immediate and urgent steps to establish a fertilizer factory in Kenya as soon as is practically possible.

Mr. Temporary Deputy Speaker, Sir, I had indicated in the previous Motion that I would be moving this Motion. One of the issues that was part of the previous Motion was the issue of a fertilizer factory called “Ken-Ren” that was supposed to have been established in the 1970s. This shows that the Government had initiated the process and it is something that it has been thinking about since the 1970s. The Government had even attempted to establish the factory but from what we have seen in the Controller and Auditor-General’s report, it is clear that Kenyans were ripped off through this initiative. Indeed, it is a sad story that to date, Kenyans are still paying for a fertilizer factory that was never established because of commitments that the Government had made earlier.

Our founding fathers had identified three main enemies of our nation that they sought to conquer and amongst the three was that of poverty and hunger. There was that of ignorance and disease but if you look at what has happened through the years, you will find that it is a sad story that in spite of setting out to conquer hunger and poverty as a nation of 47 years, we are still food insecure. Part of the reason of our failure to achieve national food security or remove our nation from the list of food insecure nations of the world is the high cost of production and particularly the problems that farmers are facing in accessing fertilizer on time and at affordable prices.

We know that long after Independence and our founding fathers had set out to conquer hunger, several nations met in September, 2000. Those were 189 United Nations member states that acknowledged the urgent need to free men, women and children of the world from the dehumanizing condition of extreme poverty and hunger. They identified certain goals that they called “The Millennium Development Goals (MDGs)”. The first goal, amongst the eight goals set by all the member states was the goal to eradicate extreme poverty and hunger. I thank the hon. Member who brought a Motion recently, Mr. M’Mithiaru, to review the MDGs goals and achievements made so far. It became evidently clear that, as a nation, we have failed to achieve what was set out to be achieved by 2015 through the MDGs because hunger still continues to stalk many homes in this country.

As I had indicated earlier on, Ms. Murugi Mathenge told this House that over 24 districts are still relying on relief food. She also said that one million Kenyans are being given relief food by the Government and another 1.6 million are being taken care of by the World Food Programme. This is the case and yet had we, in the 1970s established a fertilizer factory, we would be telling a different tale today. If you look at our priorities as a nation, you will find that in the 1970s we looked at the option of putting up a fertilizer factory and a bullet factory.

Mr. Temporary Deputy Speaker, Sir, a fertilizer factory would fertilize the field, enhance productivity, produce food and enhance life. A bullet factory would terminate life. It is ironical that out of the two priorities, we were actually able to put billions and billions of shillings into a bullet factory that is doing very well; we fail to put up a fertilizer factory that would have enhanced productivity in our nation. It would have removed Kenya from the list of food insecure nations of the world.

We know that as a nation we have been talking about this issue of a fertilizer factory for many years. I remember that when we came to this Parliament in 2008 Mr. Amos Kimunya, who was the Minister for Finance then, talked about this issue during the 2008/2009 Budget. He indicated that the Government had plans to set up a fertilizer factory. The Government was working with other member States of the East African Community (EAC) to establish this plant. Since 2008 we have not seen any practical steps being taken by the Government to ensure that this fertilizer factory is established.

However, we know that through the regional platform of the EAC the Government, together with other member States, has been talking about having a joint venture through the EAC in form of this fertilizer factory. We know that Kenya might not be best suited, according to arguments advanced by other member States. They argue that raw material are available in Uganda and Tanzania; therefore, this fertilizer factory should not be established in Kenya. We know that the slow process of implementing this joint venture has arisen because of issues that have been under argument at that level.

Mr. Temporary Deputy Speaker, Sir, of all the member States, Kenya is the biggest consumer of fertilizer in the region. Indeed, from the estimates given we know that Kenya consumes over 500,000 metric tonnes of fertilizer. Countries like Uganda, because of their soils, do not consume as much fertilizer as Kenya. Uganda is estimated to consume about 25,000 metric of fertilizer. Comparing that with what Kenya consumes annually--- Every year Kenyan farmers demand fertilizer and have never been able to receive it on time. We believe it is the wearer of the shoe who knows where it pinches. It is Kenya that actually needs this fertilizer more than the other member States. Everything should be done to ensure that--- Even if we are to go it alone initially, and our sister States in the EAC join us later, we should establish this fertilizer factory.

We know that over the years it was just a dream of our founding fathers. It was just a noble calling. Under Article 43(1) (c) of our Constitution, every person has a right to be free from hunger, and to have adequate food of acceptable quality. It is no longer just a noble dream or noble calling. It is now a constitutional right for Kenyans to be free from hunger. So, for a country that has the capacity to produce enough food, not just for its citizens but also for export, this Constitution now places upon us a heavier responsibility than before to ensure that we develop strategies and policies that will ensure our national food security. We should ensure that we have enough food to feed close to 40 million Kenyans in this nation.

Mr. Temporary Deputy Speaker, Sir, it is a matter of great irony that after all these years, as a nation, we are yet to develop a national food security policy. Perhaps the Minister will tell us about this. The time has come now, with the passing of the new Constitution that we must have a comprehensive national food security policy to ensure that this country achieves national food security, this nation upholds the provisions of Article 43(1) (c) and that no Kenyan should ever die of hunger. This is because we have

the soils. We have been greatly blessed by God. We have the capacity to produce; we have just been lacking the necessary policy and strategies.

One of the strategies that I believe is key is the establishment of a fertilizer factory. I believe the development of a fertilizer factory is a key input into agricultural development of this country and the region. The time has come to put this talk into action, and to take practical steps towards establishing this fertilizer factory.

Mr. Temporary Deputy Speaker, Sir, I know that the Government has indicated that feasibility studies are being done. However, as I have said these feasibility studies had long been done. Feasibility studies were done alongside those of the bullet factory. In fact, commitments had already been made. I do not understand why we should be spending another Kshs70 million or taking another five or ten years to do this. Through this Motion, we want to tell the Government that the time has now come. It must move and start establishing the fertilizer factory.

As a nation, our consumption is about 34 million bags of maize per year. What we produce falls short of this every year. There is always a deficit. We have the capacity to overcome this. We will no longer talk about food deficit in this nation once we have this fertilizer factory in place. I say so because when you look at the amount of time we take in procuring fertilizer from other nations in Europe, and the time we take at the Port of Mombasa--- When we look at challenges like piracy that now affect trade at the port and vessels coming in, including those that bring in fertilizer, all these things affect the Kenyan farmer. As recently as two weeks ago, we asked the Minister in this House when the Government would avail the subsidized fertilizer that would go for Kshs2,000 a bag. From December, the Minister has been saying the fertilizer is coming.

We hope that we will get the fertilizer on time. We do not have to face the Indian Ocean and keep asking, “When is the fertilizer coming?” We should be getting the fertilizer locally, on time and at an affordable price if we are able to support our Government. Through this Motion we want to support our Government to go ahead and establish the fertilizer factory in this country. We know we have very able Minister.

Mr. Temporary Deputy Speaker, Sir, I wish not to take a lot of time because I would also wish other Members to contribute to this Motion. Ours is not just to support the Government in the steps it has taken, but also ask it to expedite the process. The authority of this House and the resolution we are going to pass should go a long way towards supporting the Ministry and the Government in making our wish a reality.

We know that the biggest challenge we are facing as a nation is how we can get the cost of inputs to be commensurate to the price of product that we eventually get. When you look at the cost of fertilizer and the price of a bag of maize, you will find that it is very difficult for a farmer to break even. As we speak about a fertilizer factory and availing affordable inputs, we will also be asking the Government to be sensitive to the prices of maize, wheat and other produce. We have been very quick to pay much more to farmers in South Africa, Malawi and other countries from which we import our maize. We know that last year it was on record that we were paying as much as Kshs3,500 per bag of maize. This price went to South African and Malawian farmers, yet when it comes to the Kenyan farmer the Government will fight and fight to ensure our farmer does not get the price of Ksh2,300 per bag.

It has been very difficult. We appreciate that the Minister has tried very hard to raise the price from Kshs1,500 to Kshs1,800. We, however, believe that the Government

could have done much more to give the farmer Kshs2,300 per 90 kilogramme bag of maize to enable them break even. Most importantly, we want the Government to check the escalating fertilizer prices. Last year a bag of fertilizer was going for about Kshs2,000. Today when you go to retail shops farmers are getting fertilizer at over Kshs3,000. In some shops, the price of fertilizer has gone to about Kshs4, 000.

Mr. Temporary Deputy Speaker, Sir, a few years ago we remember when this went unchecked, fertilizer prices rose from Kshs2, 000 to Kshs6, 000. As a farmer, I could not believe it that you could buy a 50 Kg DAP bag of fertilizer for Kshs6,000. It happened in this country. So, unless the Government does something to cushion the farmers, we can actually go back there or we can actually demoralize the farmer to the extent that we have farmers uprooting their coffee and tea. There are farmers who are now switching from maize because it is no longer profitable; it is no longer a business. But when we talk of agri-business, farming should actually be business. It should be rewarding to the farmer. But in this country, it is not. Coming from Trans Nzoia, the bread basket of Kenya, I can tell this House that there are many farmers who are actually now switching from maize to other things because maize is no longer profitable. In fact, it has become like a hobby; just for you to fill your fields, but when it comes to the time of harvesting or delivering this maize, you deliver and you are not rewarded for your efforts. Even the little that belongs to you is never paid on time. These are some of the things that are affecting the Kenyan farmer, but with the Government taking practical steps towards establishing a fertilizer factory, we will give our farmers hope. We will increase productivity and we will achieve national food security.

With these few remarks, I beg to move and ask Mr. Ogindo, to kindly second.

**Mr. Ogindo:** Thank you Mr. Temporary Deputy Speaker, Sir. I rise to second, and from the outset, I want to thank my colleague; hon. Eugene Wamalwa for his long overdue Motion.

I have contributed here time and again that this country appears to have its priorities upside down. Looking at the budgets, you will see that agriculture and rural development have under 10 per cent. In fact, to be precise, it is 1.7 per cent. When you compare that with our expenditure on security which is about 6 per cent, you start wondering where our priority is.

Mr. Temporary Deputy Speaker, Sir, I am a Member of the Parliamentary Caucus on MDGs and the first MDG is to rid our country of extreme hunger and poverty. Today we have a new constitutional dispensation which creates 47 counties. I know that we will have different priorities, but one thing which is for sure is that every county needs food. Kenya is a blessed country; we are in the Equator where we have a variety of climatic conditions. We have a huge chunk of land and we know that food grows from land. The only limited ingredient there is the nutrients that food crops grow on. It is imperative that as a strategic policy, we consider having a fertilizer company in this country. I was privileged to attend a fertilizer conference recently in Kenya Agricultural Research Institute (KARI) and the statistics available there is that, 60 per cent of the country's fertilizer is imported by the private sector. The Government tries to supplement and brings in about 40 per cent. This fertilizer is a recurrent requirement in our economy. The leadership of this country has not given the agriculture sector and the need for fertilizer due attention. It is because our politics is founded on wrong philosophy. It is dictated by

wrong attitude. As a country, we were born and have continued to grow to believe that our job is to buy and sell. So, we are fixated as a merchandising country.

Mr. Temporary Deputy Speaker, Sir, the amount of money that the Government spends on buying fertilizer every year is not a revolving fund, it is an expenditure that goes every year; once off, once off. I want to thank the Ministry of Agriculture. Even in my constituency, I occasionally see some bags of fertilizer. But the wisdom of this Motion begs a lot of questions. Annually we normally have hunger and drought. The Government response to this usually is very appalling, because in the event that there is hunger biting, you will hear that there is a crisis Cabinet meeting or you will hear that a Cabinet sub-committee has been set up. As predictable as usual, the only resolution that they come up with is that, we need to cut our budgets or expenditures and take austerity measures so that we can create money to import food.

I think time has come that we must now provide permanent solutions to our recurrent problems. One way of doing that is to secure our food security by ensuring that we have a fertilizer factory. The other problem we have in this country is that everybody seems to be fixated on growing maize. We know that different parts of this country have potential for different productivities. It is imperative that the research organs of this country are put into use for the benefit of Kenyans. I know KARI is doing a good job but most Kenyans do not know that KARI exists. If they know that KARI exists, they do not know for what purpose it exists. KARI needs to be taken to the people so that, for example, the people of Baringo can grow their mangoes, the people of West Pokot can grow their oranges and the people of Rangwe can grow their groundnuts. We need to really come up with a map in this country that says which crops can do well where and under what facilities. I am aware of a firm that was adversely mentioned here; the Amiran Kenya which is doing very well in the field of agriculture. I am aware that when you talk of tomatoes, there can be as many varieties as there are various climatic conditions in this country. What the Government of Kenya has failed to do is to ensure that our country is reliant by investing in agriculture.

Mr. Temporary Deputy Speaker, Sir, we have heard of Ministries being frequented by business persons who want to import and who want to sell to cut deals. It is time that we focused on the innovation on our human capital. It is by investing in human capital that we will have researchers and agriculturalists that will grow crops in North Eastern to feed our population in that area.

As the Mover of the Motion has rightly put it; we know we have had investment in Eldoret to produce bullets. The greatest threat this country is suffering from is not a threat from external aggression but a threat from hunger and yet very little investment has gone in that direction.

Mr. Temporary Deputy Speaker, Sir, with this Motion, I pray that the Ministry of Agriculture will be persuaded to persuade the Treasury. Through the Budget Committee, we want to commit ourselves into ensuring that we allocate adequate funding to the Ministry of Agriculture. The Maputo Declaration says that we need to allocate 10 per cent of our Budget on agriculture. We are far from this. Most developing countries have a huge chunk of their budgets in research. Our budget in research is still lagging and what we hear of them is that money is normally taken for research purposes and it is brought back through the back door and spent elsewhere.

We persuade the Kenya Institute for Public Policy Research and Analysis (KIPPRA) of this country and the economic counsel of this country to get its priority right so that as we roll out the new dispensation where counties will be the focal point of development, we have the right policies set out so that we can secure this country from hunger and rid it of absolute poverty.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to second the Motion.

*(Question proposed)*

**Dr. Otichilo:** Thank you, Mr. Temporary Deputy Speaker, Sir. I rise to support this Motion. A country which is not self sufficient in food production cannot claim to be a country that is independent. It is, therefore, important that this country gives top priority to food production. Food production is the basis of good governance in any country. Therefore, it is important that as a country, we come up with the best methods of producing food for this country so that we can produce food for our people and even surplus food for export.

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

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

Madam Temporary Deputy Speaker, I wish to note that all the countries that are self sufficient in food subsidize their farmers and the subsidy is mainly from agricultural inputs. The main agricultural input in farming is fertilizer. In this country, we are unable to produce enough food because the price of fertilizer is extremely high because we have to import it.

Even when Kenyans are ready to import fertilizer, it takes time. Sometimes there is no fertilizer when farmers are ready to plant. So, it is important that this country considers putting up a factory for fertilizer because this will enhance food production in this country. As of now, this country is reeling under a lot of problems because of hunger in certain areas such as the Arid and Semi-Arid Lands (ASALs). What we call ASAL areas in this country, in a country like Israel, they are considered to be very productive. In our ASAL areas, we get more than 500 millimeters of rainfall and we can be able to produce food in these areas, but because we do not give priority to food production in this country, we still have these areas suffering from food deficiency and mainly depending on food donations year in, year out. So, it is important that we take a bold decision and establish a fertilizer factory in this country so that we can produce our own fertilizer and, even more importantly control and assure the quality of fertilizer we have.

Madam Temporary Deputy Speaker, some of the fertilizer that we get in this country is not the type and quality that we require. Therefore, it is important that we have our fertilizer factory and carry out our research which will determine the type of fertilizer we need for various regions in this country and as a result produce specific fertilizers for those areas. Currently, any fertilizer that comes, *wananchi* just buy because they are told

it is fertilizer. They do not know the type of soils they have and the deficiencies of their soil. Right now most of the fertilizer we get and buy is not useful to some of the areas because we lack the capacity to produce our own fertilizer.

It may be expensive to establish a fertilizer factory but the first important obligation we have is to feed our people. If it means spending more money to feed our people, then let it be, because that is the most important thing we have to do first. So, it is important that we consider this fact. It has already been said in this House that there was a plan to establish a fertilizer factory in the early 1970s. However, because of the problems that have been discussed in this House, we were unable to establish it, although we are paying a loan for a non-existent factory. Although we are already late, we should not stop from going ahead and establishing a fertilizer factory for this country.

Madam Temporary Deputy Speaker, we also need to explore the possibility of producing various types of fertilizers. Currently in this country, we use mainly inorganic fertilizers. However, there is a high potential for organic fertilizer production in this country. If we had our own factory, we could have carried out research and be able to produce organic fertilizer which is more useful in the production of various crops. So, by establishing a fertilizer factory in this country, we will create a lot of activities, not only in farming but also in research. This will enable us to come up with new fertilizer brands that we can export.

Madam Temporary Deputy Speaker, I would like to strongly support this Motion. If we want to have this country being self-reliant in food production then we must give priority to food production. This country has the potential for food production throughout the year. The problem is that we have not taken food production seriously.

With those few remarks, I would like to support very strongly this Motion.

**The Assistant Minister for Higher Education, Science and Technology** (Mr. Kamama): Thank you, Madam Temporary Deputy Speaker for granting me the opportunity to contribute on the Motion.

First of all, I want to support this Motion in totality. I want to thank my good friend, the Mover of this Motion, hon. Wamalwa, who has been very prolific in terms of coming up with Motion in this House. Being a very serious presidential contender, I wish to thank him for coming up with this very important Motion.

Madam Temporary Deputy Speaker, we have not given agriculture the importance that it deserves. We have not given agriculture the attention that it deserves. What we have only done is to give lip service. We all know that our economy is agro-based. We have been told in many fora that agriculture is the backbone of Kenya's economy. But talking about agriculture in the absence of a factory, which is a very important input in the sector, we have just given it a lips service. We have not been serious at all. We all know that this country experiences food deficit, year in, year out. I come from a constituency where food production is too low because it is within the ASAL region. In this area, we get a lot of food from outside my constituency. That will mean that we spend a lot of money sourcing food from other areas. We end up enriching other areas of this country. That is not a crime, but it does not promote wealth within my constituency.

Madam Temporary Deputy Speaker, I want to support this grand idea that we have a fertilizer factory established in this country. We can liaise with giant companies in China, India, America and Brazil. We can even partner with multinationals that have

experience in production of fertilizers, so that we move this country forward. You all know that a country like Malawi is now food secure. I have been to Malawi. I was actually there with my good friend, Dr. Otichilo, when he was a very big man somewhere in this country. We did some work on the issues of remote sensing and mapping in that country. That is a very poor country. Recently, the President of that country, hon. Mutharika came up with a policy of subsidising farmers through seeds and fertilizers. That country has now a GDP growth of over seven per cent because of subsidising their farmers. So, the issue of food deficit is no longer an issue in Malawi, but a larger economy like Kenya has food deficiency. Kenya is the tenth largest economy in Africa. We import food year in, year out. We are not doing our people good service.

Madam Temporary Deputy Speaker, we also need to diversify our food production. We normally depend on rain-fed agriculture. We need to go into irrigation. I want to thank my friend, the former Minister for Agriculture, for actually reviving irrigation schemes like Bura and Hola. Of course, the current Minister is enforcing the same policy. So, we want to focus on irrigation because 78 per cent of the total land mass of this country is actually in ASAL region. Let us consider pumping water from Lake Victoria.

**An hon. Member: Mtalipa!**

**The Assistant Minister for Higher Education, Science and Technology** (Mr. Kamama): We will pay you. We want to pump this water instead of letting all the water go to Egypt, where there is a lot of chaos. We want that water to be pumped through ravine to Turkana region, Pokot and North Eastern. We need something like Kshs100 billion to do so. Let us sacrifice one year, and then this country will be self sufficient in food production, instead of serving the interest of Sudan and Egypt. Of course, I want to thank the people who are participating in the conservation of Mau Forest. But we should also use this water.

Madam Temporary Deputy Speaker, lastly, I want to talk about the cartels, which control the prices of fertilizers in this country. They are the ones “killing” our farmers. For us to deal with these cartels, we need to have our factory, so that we can determine prices so that our farmers can go back to the business of farming.

With those few remarks, I beg to support.

**Mrs. Shebesh:** Thank you, Madam Temporary Deputy Speaker, for allowing me to contribute.

I want to join my colleagues in congratulating hon. Wamalwa for bringing this Motion and for the many Motions that he brings that have a lot of relevance to the work that we do in this country. I really believe that this will be his platform towards his presidential ambitions.

Madam Temporary Deputy Speaker, I want to start from where my colleague has left because that is the crux of the matter. There can never be a country whose backbone is agriculture--- In agriculture, we all know we have to have fertilizer and then we do not have a fertilizer factory. We talk a lot in this House. Sometimes we go round issues. However, I believe with the new Constitution and the kind of democratization that we have now, we must hit the nail right on the head. I want to start by speaking about these cartels. We have been told that 60 per cent of the fertilizer is bought by the private sector and only 40 per cent is brought by the Government. So, we should be addressing those people in the private sector who have decided to continue to make billions of shillings in



the names of cartels, knowing that Kenyan farmers must buy fertilizer. There is a group of people who, whether they like it or not, will always be their customers and the Government sits back and allows this to continue for years ever since Independence. This Government should be embarrassed. I really want to hear the Ministry on this very sensitive issue. We keep on bringing Questions here and they are taken around, withdrawn and disappear. Today, using this Motion, we would really like to hear the response of the Government, which I believe will be positive about the establishment of a factory in this country. There is a problem with these cartels. Until those cartels are eliminated, we will not make progress. I hear we have a bullet factory. I do not know whether we are at war. I hear it is also doing very well, but I do not know where they sell those bullets. I can tell you that people can make money everywhere else, but not where it affects food security of this country.

We have seen on television screen faces of hungry people, yet what we hear from Government contradicts what we see on television on daily basis. It is amazing to hear the Ministries of Agriculture and Special Programmes talking about how we have enough maize, but what we see on our television screen is a woman dying as she waits for relief food. We see children crying because of hunger. Yesterday, I watched a feature on HIV positive people in Mwingi who, due to lack of food, are not able to take Anti-retroviral medicine. We need a human face in Government, especially in the Ministry of Agriculture.

Madam Temporary Deputy Speaker, the creation of a factory here for us--- I have heard about the East African co-operation and the negotiations that are going on because, apparently, Uganda and Tanzania have the resources that Kenya does not have. But I hope that the co-operation for East Africa is not only about resources; it is about market. Maybe, Kenya is the biggest market for fertilizer. It is important for those who are negotiating that kind of trade agreement for Kenya to realize that even if Uganda was to have that factory Kenya would be buying the bulk of that fertilizer. So, again, it is important that we negotiate Kenya's interests first before we negotiate away our interest, especially for farmers. It is not also rocket science to realize that our soils are heavily depleted due to climate change issues and soil erosion during floods. You can see that all our rivers are drowning. They are drowning because they carry the top soil of our farming land. Therefore, it is also important for the Ministry to acknowledge that, without proper input into our soils, Kenya can no longer produce. It can no longer proudly talk about being an agricultural country because our soils are so depleted that without the input of fertilizer, we cannot produce the kind of food we were producing before.

Therefore, I want to conclude by encouraging the Ministry to go green. Going green, I believe, is what is going to save us even in terms of establishment of that factory because we have seen even from small pilot projects that women are able to put back into their farms fertilizer from the waste that they get within their households. From the kitchen waste that they get, they are able to use that in their little kitchen shambas. It is surely not rocket science. If we can use organic materials to produce fertilizer, Kenya would be way ahead. I believe we will set the pace certainly in terms of research and technology, in terms of improvement of the kind of fertilizers that are created.

The young people of this country would get jobs. We know that agriculture is employing very many people. In terms of the input by the young people, they may not want to go to the farms necessarily. But I am sure they will be very happy to be in the

market of selling and developing fertilizer. It is imperative that every time we look at an issue, we look at its effect on every sector of our society, including the young people. I believe that once this factory is created here in Kenya, we will have dealt with the big issue of unemployment in the area where that factory will be set up.

With those few remarks, I beg to support.

**Mr. Shakeel:** Madam Temporary Deputy Speaker, I stand to support the establishment of a fertilizer factory, but with some reservations. I agree that the factory will be of strategic and national importance. Food is the essence of our existence as a country. Food deficiency has dropped the quality of life in this country tremendously. From the time I was a child up to now, I have not seen much change, especially in the price and availability of food. I said I will support with reservation because I would like to bring out some points. First, the feasibility study of the factory was done a number of years back. At that time, the green revolution - as I take from my sister, Mrs. Shebesh - was still taking strength and root. So, when we are looking at a fertilizer factory, we really need to take on board the developments that have taken place since then. So, the fertilizer factory must concentrate on organic rather than entirely chemical fertilizer input. That is the first reservation I have and I think we need to do that feasibility study again. We need to see what the prices are, why we need that factory and where we want to place it. Nothing has been said about where the factory will be situated. Mr. Wamalwa wants it in his side. I would like it in Kisumu. Somebody else would like it elsewhere. But I think that is one of the major issues here. The Motion before the one we are discussing was on Ken-Ren. Once we get the issue of Ken-Ren and where we made the mistakes, I think that is one of the first things that we need to do. We should do a postmortem of where we made mistakes, what was the situation then and who came up with what. Some stuff must be somewhere, even if it was a ghost project. There must have been some things that were left behind. If we do that, then we can ensure that we do not go the same way where 60 per cent of our fertilizer is imported.

The very reason why there are cartels is because the Government has allowed them to operate. Food and agriculture is the mainstay of our economy and is of strategic value to the country. I feel that the first thing we need to do is to put a price restriction on fertilizer. I have done some research and found out that fertilizer prices in Brazil are less than half of what we pay here.

*(Applause)*

I had the opportunity and honour of speaking to the President of Brazil when he was here. He asked us: "Why do we not bring you a fertilizer factory? Why do you not buy fertilizer as a Government?" He was talking to a group of us and not to me alone. He asked: "Why do you not buy fertilizer for the next ten years or five years on gross, so that we can bring it here and we will look at the issue of a fertilizer factory?" So I think the opportunities are there.

Madam Temporary Deputy Speaker, the other way certain countries are going - those that have been established--- But that does not mean that we cannot do it. We might want to look at it. Since the world is now an open market, we can look at where fertilizer factories are best situated. We can look at the ones that are working and, perhaps, see whether we can go and buy one there. That can be part of Kenya's investment abroad and

then, slowly, bring a similar one over here. But again, the need for a fertilizer factory is absolute. But we do not want the following: A beautiful factory like Numerical Machining Complex, which should be one of the best engineering establishments in Africa. About 20 or 30 years after it was established, nothing absolutely has come out of it. The intention was not to make it work but to milk the country.

We need to concentrate! Food and agriculture is subsidized everywhere in the world. This happens in the USA, Britain and other places. We subsidized and encouraged milk production and it was the greatest curse that this country has ever done. Milk was poured down the drain because we subsidized it. We did not plan for the increase of supply. So, if we had it, we could have done much. We could have thought of drying and having it as powder. That is basically our fault! Kenyans are the best in planning. Some of our plans are taken by others, even patented and they make successes. We will fall back on implementation because of our greed for quick return. From that point of view, we are now in a new era and the way we have gone in the last few days, we will make sure that the Constitution prevents such deals in future.

Madam Temporary Deputy Speaker, I would like to bring to your attention one issue. I was shocked this morning to hear that the Ministry of State for Special Programmes has set aside Kshs5 million to offer a toll free telephone service for people to call and say that they are suffering from famine. We know that there is famine. Why do you want to waste Kshs5 million for people to tell us that they are suffering from hunger? We would have been able to purchase a lot of fertilizer for Kshs5 million. We must get away from doing these sort of things.

Madam Temporary Deputy Speaker, finally, we have the best researchers in Africa, probably, in the world. We have good researchers in agriculture. Some of them have Doctorates of Philosophy (PhD) in various fields and yet, we are not able to crystallize on what we have discovered.

I wholeheartedly support this Motion. I hope that we will have a fertilizer factory in this country. If Mr. Eugene Wamalwa is elected President in the distant future; not now, and I hope that he does, we hope that a fertilizer factory will be given the first priority in his Government.

With those few remarks, I beg to support.

**Mr. Njuguna:** Thank you, Madam Temporary Deputy Speaker. I wish to also join my colleagues by very vehemently supporting this Motion that has been so well moved, by the potential presidential candidate of 2012.

A nation cannot be called a healthy nation if it does not feed its people. Feeding the people of this nation should be the first priority of our Government. Lari Constituency is an agricultural area. We feed Nairobi constituencies with cabbages, carrots and kales. If we had cheaper and affordable fertilizer, my constituency would acquire economic advancement and empower youth through agricultural activities. To me, this Motion is very important.

Madam Temporary Deputy Speaker, creation of a fertilizer factory will address some of the gravest concerns that we have in this nation. We have been talking about national strategic reserves, but 47 years down the line, we have not been able to create our strategic reserves to more than 2 million bags. With this establishment of a fertilizer factory, our country will be able to realize the national strategic reserve to a level of 10 million bags.

The factory will also create employment for our youth. The youth of this country will also be engaged in gainful working activities. Our supply of marketing outlets will also be full of cheaper food. Our secondary schools and universities will now be able to buy cheaper food. Even our prisoners who are never fed well will be able to afford cheaper food. Therefore, the issue of food security is critical in this nation. The populace of this country will also be able to move forward as a dynamic mission.

So, I wish also to indicate that even the life expectancy will improve with affordable food in our country. The agricultural sector will also earn foreign exchange for this country. We will export wheat, rice, maize and other crops. Instead of us being net importers of food, we will export them. Why should we continue to import wheat and sugar from Egypt? Egypt is in Sahara Desert. Why do they have a fertilizer factory in Egypt? We can also establish the same thing in this country.

Madam Temporary Deputy Speaker, our farmers in this country have migrated to the neighbouring countries. We have our farmers in Uganda and Tanzania. The maize that the Ugandans are eating is grown by our own people. In those countries, fertilizer is highly subsidized. Our farmers are contributing a lot to the growth of economies of those countries. We need them here to develop our country. I would, therefore, urge Treasury to set aside enough money to start this factory. Funds are there to set up this factory. If the Treasury and the Government could only be serious by sealing loopholes that allow officers to engage in mega corrupt deals, this money would be enough to start a fertilizer factory in this country.

Our country will then start exporting some of these major agricultural produce to the neighbouring countries. Uganda is now an oil exporter. We want our country which is currently a major tea, coffee and pyrethrum exporter to also start exporting the other agricultural products such as maize, beans, among others. If our Government can do so, our nation will improve tremendously. If we do so, *mama mboga* and others will have their incomes improved.

With those few remarks, I support the Motion.

**Mr. Oyongo Nyamweya:** Thank you, Madam Temporary Deputy Speaker, for giving me a chance to support this Motion. This Motion is very critical for this nation. As we are all aware, Kenya is an agricultural country. Our GDP in terms of economic activities when you compare with the manufacturing sector, is the leading one.

The problem we have here is that the Government has not shown any interest in supporting the farmer. Setting up a factory for fertilizer is something strategic for this nation. It is something that we, as a nation, have no option, but to do it.

If you look at all the major industrialized countries like China, Malaysia and America, their main concern is to make sure that their people have enough food. Unless we are careful, food riots will take place here if the general population is not able to feed itself.

I believe the Government will take this Motion seriously. I thank the Mover of this Motion for actually finding it fit to bring this Motion for debate. The reason why I support this Motion is that if the factory is set up, obviously, we will have better yields in maize, banana, onions, tomato and other crops.

I remember two years back, the Kenya Tea Development Authority (KTDA) was not able to bring fertilizer to this country for the simple reason that they did not have money as the world market price for fertilizers at that time was beyond what ordinary

farmers could afford. During that year, farmers did not get any fertilizer. Therefore, the yield in tea, which is a main export commodity, was low and even now, it is still below what is expected. It is critical that something is done immediately as a strategic measure. This is rather unfortunate for the nation.

Madam Temporary Deputy Speaker, we are all aware of the fertilizer that was brought in by individuals who were contracted by the Government to support the private sector. Why is the Government not taking any steps to ensure that there is a factory in place? A factory would bring about stability of prices in the market? All that is required is for the farmer to know how much it would cost. Recently, we heard farmers from Rift Valley complaining that it costs a lot of money to till an acre of maize. The price they are being paid for one bag of maize does not even cover that cost. The major input they use all the time is fertilizer. Therefore, it is critical that the Government, so as to stabilize the prices, sets up a factory and supports it. That way, farmers will be predicting what they will earn from planting 100 acres of maize. Farmers would also predict how much they would spend on fertilizer. However, when farmers prepare their land for planting, by the time they go to purchase fertilizer, the prices they find are different. If the price is Kshs800 or Kshs1,000 per a bag of fertilizer at the time they are preparing the farm, those prices shoot to either Kshs2,000 or Kshs4,000.

Farmers have no one to finance them. They do not also have any schemes to finance them. Banks do not support farmers in terms of finance. In the long run, it is not only farmers who suffer but the whole country. We end up having no food to feed our people.

Kenyans are hard working. They have a good attitude towards work. We have problems in this country because farmers are not taken care of by the Government. It is the responsibility of the Government to provide the very basic things to farmers. It is the responsibility of the Government to provide fertilizer. Farmers are not getting the right support from the Government. If you look at the multi-national companies which are agro-based - either in the tea sub-sector or in the flower sector - you will find that they either purchase their fertilizer from abroad or from brokers. The overall cost of production is always very high. If the production cost is low, workers would even have their salaries increased. This is a challenge we have, as a nation. We must take care of the small-scale farmers.

Madam Temporary Deputy Speaker, I come from Kisii where most people have either half an acre or one acre piece of land. The poverty level in that place is increasing because farmers cannot get good yields from their farms. The main reason for that is because they cannot afford fertilizer. They cannot afford fertilizer because, one, the prices are very erratic. You cannot plan because you do not know what the prices will be. In case of large scale farmers, they cannot also prepare their farms. You cannot even predict how much money you will earn because you do not know what the price of fertilizer will be at the end of the planting season. It is critical for the Government to take the necessary steps to support this Motion to set up a factory to stabilize the prices of farm input. When we import fertilizer from overseas--- For instance, the prices of petroleum products are going up.

Equally, the price of fertilizer will go up. What will happen is that the big businessmen will import fertilizer and increase its price with a view of making profit. We are turning our farmers into slaves. Something needs to be done to stabilize the fertilizer

prices for the farmers. That way, farmers will be able to support this nation. It is, therefore, upon the Government to take serious steps and formulate policies that will lead towards the formation of a fertilizer factory. My view is that the factory should be set up where the grain basket of Kenya is, that is, Rift Valley Province. We know that Rift Valley Province feeds this nation. That is where the large scale farmers are. You cannot say that you want to set up such a factory in Kisii – we do not have land there. We need land to grow maize and bananas. So, it is really an issue of economics where the factory will be set up.

We require political goodwill from the leadership. We need to listen and implement. People are dying because of poverty. There is no food for people to eat. These are things that should not be happening because we have a lot of rain throughout the year, but we let all that water drain to Lake Victoria or Indian Ocean. We keep nothing for purposes of irrigation and yet this Government has money. We cannot say that this Government is poor. Year in, year out, billions of shillings are given out to support those who are faced with drought. This money ought to have been budgeted to support farming activities. Nobody would come here to say that they do not have money to build dams, buy pipes, or buy pumps.

When there is a crisis, money is always available. As we talk now, there is money available to everybody to buy maize, beans, water and everything. It is like business activity for some people! Why should this money not be used every year to build dams and create irrigation systems? To say that money is not there is a question of lack of political goodwill, or it is a deliberate effort to make it a ritual so that whenever there is drought a few people get an opportunity to make money. One cannot understand when the Government says that it has no money, but when there is a crisis, like the one we have now, money is available in billions. We need a system that is good for the common good of the *mwananchi*.

**The Temporary Deputy Speaker** (Dr. Laboso): Your time is up!

**Mr. Oyongo Nyamweya:** Madam Temporary Deputy Speaker, I support the Motion.

**The Temporary Deputy Speaker** (Dr. Laboso): Is there any hon. Member who is interested in contributing in the remaining two minutes? If there is none, could the Government Responder make his contribution?

What is it hon. Muthama?

**Mr. Muthama:** Madam Temporary Deputy Speaker, there is no time to say anything now. I suggest that we adjourn and then we continue---

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Muthama, I do not think that is your role.

*(Laughter)*

**The Assistant Minister for Agriculture** (Mr. Mbiuki): Madam Temporary Deputy Speaker, first I want to thank hon. Eugene Wamalwa for bringing this Motion. It has been long overdue and as a Ministry and Government, we are extremely committed to the implementation of this Motion once it is adopted by this House.

I want to start by thanking all the hon. Members who have contributed to this Motion. We need, as a Government, to undertake the right thing at the right time. In order

to be able to help our farmers, the Government needs to invest heavily in fertilizer manufacturing within the country as well as implementation of irrigation schemes in various parts of the country. We also need to have serious marketing strategies for our cereals.

The Ministry of Agriculture recognizes the importance of fertilizer as an input of crop production as has been elaborated in the Ministry of Agriculture Strategic Plan 2008-2014 and the Agriculture Sector Development Strategy, 2010-2020.

The Ministry also recognizes that the accessibility and the application of this critical input is constrained by the high prices. During this season, the Government procured fertilizers and the prices are shocking!

**The Temporary Deputy Speaker** (Dr. Laboso): Mr. Mbiuki, you will have a balance of 17 minutes when we next meet. You will be at liberty to give part of that time to Mr. Muthama, if he wishes to contribute.

### **ADJOURNMENT**

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Members, it is now time to interrupt the business of the House. This House stands adjourned until this afternoon at 2.30 p.m.

The House rose at 12.30 p.m.