

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 17<sup>th</sup> August, 2011

The House met at 9.00 a.m.

*[Mr. Deputy Speaker in the Chair]*

### PRAYERS

### QUESTION BY PRIVATE NOTICE

#### NON-PAYMENT OF SALARIES TO PYRETHRUM BOARD EMPLOYEES

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

(a) Is the Minister aware that employees of the Pyrethrum Board of Kenya are currently on strike due to non-payment of their salaries amounting to Ksh24 million?

(b) Why have pyrethrum farmers in Molo and Kuresoi, Nakuru County, also not been paid over Kshs52 million for pyrethrum delivered to the Board?

(c) What measures will the Ministry take to ensure that the workers' salaries are paid and farmers paid for the crop delivered?

**Mr. Deputy Speaker:** Minister for Agriculture! Fair enough! We will come back to this Question again!

Next Question by Mr. John Pesa!

### ORAL ANSWERS TO QUESTIONS

*Question No.1032*

#### HARASSMENT OF PITALIS OJOWI OMUTU OVER AFC LOAN

**Mr. Deputy Speaker:** We will come back to it. Next Question, Mr. William Kabogo.

*Question No.886*

#### NUMBER OF GOVERNMENT-TARMACKED ROADS IN JUJA CONSTITUENCY

*Question No.937*

#### WIDENING OF KISATI BRIDGE/ROAD

TO KICOMI

*Question No. 895*

CHARGING OF INTERNATIONAL CALL RATES  
BY SAFARICOM IN BUSIA

**Mr. Odhiambo** asked the Minister for Information and Communications:-

(a) why M/s Safaricom Ltd is charging Kenyans residing in parts of Busia, including those resident 30 kilometers from the border, international call rates,

(b) what measures he is taking to protect Kenyans from the inflated charges; and,

(c) if he could ensure that the company compensates the citizens for the loss.

**The Assistant Minister for Information and Communications (Mr. Godhana):**  
Mr. Deputy Speaker, Sir, I beg to reply.

(a) Upon carrying out a detailed research on the question at hand, we have established that people living near the boarder including areas such as Busia among others set their handsets in automatic mode and as a result pick signals from other networks. Any calls made during that period will be billed as roaming calls which are more costly than national calls. Safaricom billing is transparent and based on the service that a customer is using at any particular time and, therefore, a call made while one is on another network is charged as roaming.

(b) Customers had better activate the manual selection setting and set their phones to a specific service provider, in this case Safaricom to avoid their calls being charged as roaming calls. We further request customers to take the responsibility of checking the network they are using when accessing services to ensure that they are in the right network and thus avoid high charges. Whenever a customer is roaming, a notification to this effect is indicated on their mobile phones.

(c) As noted in "a" above, once calls are identified as roaming, the local operators collect and remit the roaming charges to all the parties involved in the call completion. Unfortunately, we cannot recommend compensation for any losses as whatever was billed to the customers has already been remitted to the mobile operators in Uganda under normal roaming arrangements. Since the customer accepted the calls to go through, the normal roaming arrangements did actually take place and correct billing process performed.

**Mr. Odhiambo:** Mr. Deputy Speaker, Sir, I want to thank the Assistant Minister for the answer he has given. At least, it makes sense contrary to the previous one he gave in this House. However, most customers cannot keep on adjusting their phones as he advises them to do. In fact, many customers are not even aware of this advice. What can he do so that Safaricom can help the people there because it looks like their machines are weaker than the machines on the other side?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, I hope the people of Busia and all those living along the border are listening to me. It is not that the machines here are weaker

than the machines across the border, we have been working together as Ministers for communications in the region to ensure that people in this region access services when in the neighbouring countries. This is an arrangement within the East African region. So, it is a collective responsibility for all of us as leaders. I urge leaders in those regions to share this information with their people, so that they can have their phones locked to the manual mode of Safaricom while in Kenya, so that they do not pick the signal of MTN in Uganda or Airtel, Tanzania. That is the only advice we can give.

**Mr. Chanzu:** Mr. Deputy Speaker, Sir, the technology used here is actually based on some zoning. It is known in advance even within this country that there are areas where we are not able to access the network of Safaricom. The Assistant Minister must admit that Safaricom has been overwhelmed by customers. They did not expect to provide this service to so many customers. What is the Government doing to ensure this zoning is adhered to and make sure that if there is any change those along the borders are not punished?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, this particular problem has not come about because of any shortfall in access gap. If you are able to access MTN, Uganda, this means you are accessing Safaricom. So, that network is interlinked with that other network. That is to say that Safaricom network is available in that area for it to be able to connect to another network. So, it is not about any access gap, it is because of the interconnection arrangements.

**Mr. Kiptanui:** Mr. Deputy Speaker, Sir, I would like to ask the Assistant Minister if this is only affecting customers using Safaricom or whether it is also affecting customers using Airtel, Yu and other service providers. Is it only unique to Safaricom?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, if, for example, you go to the boundary between Kenya and Tanzania in some areas and you are using Airtel, you will be able to pick Airtel Tanzania or any other network that has arrangements with Airtel Kenya. So it is not only Safaricom, but it is all the networks as long as they have a partner arrangement with another service provider in another country.

**Mr. Bahari:** Mr. Deputy Speaker, the Global System for Mobile Communications (GSM) telephone masts are located within residential areas yet they have serious side effects in terms of health. What has the Ministry done to protect the citizens against the hazards that emanate from the telephone masts?

**Mr. Deputy Speaker:** Clearly, that is a very radical departure from the Question on the Floor this morning. However, the hon. Member wants to know the hazards that are posed by the masts in residential areas.

**Mr. Godhana:** Mr. Deputy Speaker, Sir, I feel that is a different question all together, but let me attempt to answer it. I am not sure whether allegations by the hon. Member are true. However, I undertake to investigate and establish the facts as they are on the ground.

**Mr. Deputy Speaker:** Do you wish to proceed and answer the hon. Member or you wish to say this is a different question?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, this is a totally different question. If the hon. Member wishes to bring it up as a different Question, we will answer it.

**Mr. Deputy Speaker:** Let us say so. Do not answer and then halfway you refuse to answer it.

**Mr. Kathuri:** Mr. Deputy Speaker, Sir, while I understand that these companies are out to make money, it is also important for the Assistant Minister to tell us why it is not possible for them to indicate clearly on their networks that somebody has entered a zone that is served by a different company. That is the only way they can know whether they are enjoying local or international tariffs?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, in my response, I indicated that immediately you are approaching another network, a pop-up text comes up and tells you “Welcome to Uganda” or “Welcome to Tanzania”. So, automatically, that is when you should be able to know that you are accessing another network. If you have not been able to put your phone on manual mode, then that is the time you should do so to avoid roaming charges.

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

**Mr. Deputy Speaker:** Mr. Mbadi, if he wants information, you can rise on a point of information.

**Mr. Mbadi:** Mr. Deputy Speaker, Sir, I am amazed by the way the Assistant Minister is answering this Question. It seems to me that he does not even believe in his answers. I am a victim because whenever I go to my constituency I always get those alerts. With my level of intelligence I did not know that I was supposed to switch to the manual mode. How does he expect all the people who live along the border of Kenya with all the countries to know that they are supposed to switch from automatic to manual mode? Why can the service providers not set all phones on manual mode, so that if you want roaming services, then you are the one who is supposed to change? Why is it the other way round?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, the mobile operators cannot confine your personal phone to manual mode because the services are open to everybody to use. So, it is up to the client or the person who wishes to use the services to be able to operate the handset in a manner that he believes is---

**Mr. Deputy Speaker:** Order! Mr. Assistant Minister, you said when you are entering another country you are notified that you are in another network. But these Members of Parliament are telling you that they are in Kenya. They have not entered another country. They are in Kenya.

**Mr. Odhiambo:** On a point of order, Mr. Deputy Speaker, Sir. What you are saying is exactly what I want to tell him. When you are in Uganda, the same thing does not affect Ugandans because I have been there. But when you are in Kenya, it affects Kenyans.

**Mr. Deputy Speaker:** Mr. Assistant Minister, whereas you are an authority in that and you are also the Assistant Minister for Information and Communications, it does not take that much authority for one to know that the moment you cross the border, you go into another network. Why should the network of another country function in our country unless it becomes our own?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, I want to explain here. It is an arrangement within the East African region for members of these regions to be able to access services whenever they are in any of those countries. It is part of the inter-Ministerial arrangements within the regions.

**Mr. Mbadi:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to evade answering the question even after you have explained to him?

We are not contesting using network when you cross the border. The question you are being asked Mr. Assistant Minister which you should address is; why are we accessing Uganda network when we are in Kenya? It is that simple.

**Mr. Deputy Speaker:** Hon. Assistant Minister, I have met you travelling in Europe many times. For your information, when you cross the boundary which is a very fine line, that is when you go into the other network. The roaming is there in the whole of those countries. However, you do not go into the network before you cross the border. When you cross back sometimes it is just a matter of metres, then you cross back to your own country. So, whereas the roaming arrangement is there all over the world, you only roam into another service provider when you get into the other country, not when you are in your country.

**Mr. Godhana:** Mr. Deputy Speaker, Sir, I quite understand what the Chair and the hon. Members are talking about. The service provider cannot lock your phone to manual mode. It is your responsibility as a user to lock your phone to manual mode immediately you see signal that you are accessing another network. But if you leave it on automatic mode then you accept that network and you will be billed as a roaming service. The service provider would not be able to lock to the boundary.

**Mr. Imanyara:** Mr. Deputy Speaker, Sir, the Assistant Minister says it is an arrangement. Would he agree with me that the people on the Kenyan side of the border pay more for services they have not requested for as a result of an arrangement that is exploitative? Safaricom is within its means expected to actually reduce these costs so that this facility that is being offered to the people on the Kenyan side, which they do not require, they do not pay for it at a higher rate. Can they charge them at the local rates if, indeed, it is the local arrangement that is resulting in Kenyans paying almost twice or three times more than they should be paying?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, the mobile phone service provider cannot go along the common border. It is not possible. That is why I am giving a simple advice that when the pop-up text comes up, you should switch to manual mode to avoid being on roaming tariff. That is the only solution that we can give so far.

**Dr. Khalwale:** Mr. Deputy Speaker, Sir, I am still pursuing the issue of compensation in part "c". Before we signed the East Africa Common Market Protocol, it was preceded by high level negotiations by all the partner States. Could the Assistant Minister use that particular provision of the Common Market Protocol to ensure that he compensates Kenyans who have lost their money to the MTN? He should also consider lowering the rates.

**Mr. Godhana:** Mr. Deputy Speaker, Sir, I have just said that it is not possible now to compensate people who have subscribed to a roaming service. They have subscribed to a roaming service and that money has already been submitted to the---

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

**Mr. Deputy Speaker:** Do you wish to be informed?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, I do not wish to be informed.

**Mr. Deputy Speaker:** You should wish to be informed if you want to advise properly.

**Mr. Godhana:** Okay, I will accede to the information.

**Dr. Khalwale:** On a point of information, Mr. Deputy Speaker, Sir. It is a harmless piece of information. I would like to inform the Assistant Minister that his

Ministry is usually invited to Arusha for these high level negotiations. So, I am just putting to him that he should take advantage, go to Arusha and put our case that Kenyans are losing money because of this and he is going to reach an amicable agreement on how that money can be refunded to these people.

**Mr. Godhana:** Mr. Deputy Speaker, Sir, I am the person who goes for the meetings he is talking about. These are meetings between the Government Ministries and not between the Ministry of Information and Communications and Safaricom. Safaricom, Airtel and Airtel Uganda are service providers. Once the charges are effected, they are submitted to a service provider and not to my Ministry. So, when they have already offered services and the billing has been done, it is not possible for us to retrieve the money and bring it back to the clients.

**Mr. Mbadi:** On a point of order, Mr. Deputy Speaker, Sir. From the way the Assistant Minister is answering this Question, it appears to me he is not prepared or if he is, he is not willing to answer the Question. He is even talking of the service providers having the sole authority yet the Ministry is the regulator of this sector. The issue at hand is that when our citizens are charged by service providers from other countries, we are financing the economies of other countries. Given the complexity of this matter, would I be in order to request that this matter be referred to the relevant departmental Committee to investigate why Kenyans should be charged as if they are in other countries? This is illegal and unethical. It is a rip-off.

**Mr. Godhana:** Mr. Deputy Speaker, Sir, even in Uganda and Tanzania, the citizens there who subscribe to roaming services are also charged international rates and the money is paid to the network that the clients have subscribed to.

**Mr. Odhiambo:** On a point of order, Mr. Deputy Speaker, Sir. Why is the Assistant Minister continuously evading the Question? Why are we being charged more when we are in Kenya yet the Kenyan mobile service providers should have the ability to set their machines so that we pay the local charges rather than the foreign charges? This is being done at the border points like Busia.

**Mr. Deputy Speaker:** For the benefit of the Chair, hon. Odhiambo, Member of Parliament for the area, would Ugandans still end up paying for roaming charges when they are in Uganda? Is it the same thing? Do they get to also pay for the roaming service?

**Mr. Odhiambo:** Mr. Deputy Speaker, Sir, I have already indicated that when you are in Uganda, it does not happen. I have been there severally. It only happens when you are on the Kenyan side. I have indicated that before.

**Mr. Godhana:** Mr. Deputy Speaker, Sir, I was recently in Tanzania and it happened to me. I forgot to change to the manual mode and I, therefore, paid an extra charge. He is talking about machines.

**Mr. Deputy Speaker:** Order, Assistant Minister! But you were in Tanzania, were you not? You were in Tanzania with the Kenyan Safaricom service. Then it was fair for you to be charged for roaming because you were in another country. How do you explain Kenyans who are subscribers to Safaricom in Kenya paying for roaming charges as if they are in Uganda? That is the gist of the matter, is it not so?

**Mr. Godhana:** Mr. Deputy Speaker, Sir, I understand that, but if you have a handset, it is you who is in charge of it. If you leave it on automatic mode, it picks all the networks. It even picks Airtel.

**Mr. Chachu:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to make these unnecessary excuses in terms of what these Kenyans have to do with their handsets? It is upon the Ministry to educate Kenyans so that they are not ripped off. It is the job of the Ministry. I do not think it is in order for him to make these unnecessary excuses about citizens leaving their handsets on automatic mode. That is not necessary. It is his job to educate Kenyans.

**Mr. Deputy Speaker:** Hon. Assistant Minister, you are supposed to pick up another network when you go into the zone of that network. If you are on your network and you are roaming, then, of course, you are charged more. The whole idea of roaming is that when you travel outside your country, whether by road or air, the moment you go out of the territory of that country, which is a fine line, then you are supposed to go into another network. It defeats any logic for you to say that when they are in Kenya, because they are on automatic mode, then they have no problem paying a roaming fee.

I appreciate the fact that you are not a communications person by profession and training. You have done something equally very important for this country as a member of the Armed Forces and the Chair appreciates that. The Chair is thoroughly dissatisfied that you do not have the right answer to this Question and directs that you go back and talk to people like your Permanent Secretary who is an expert in this field and come with an appropriate answer. I, therefore, direct that this Question be listed on the Order Paper on Wednesday next week in the morning. This time, come with a proper answer, hon. Assistant Minister!

*(Question deferred)*

*Question No.964*

FORMULATION OF REGULATIONS UNDER SECTION 53  
OF EMPLOYMENT ACT

**Mr. Deputy Speaker:** Hon. Odhiambo-Mabona is bereaved and is not around. The Question should be listed on the Order Paper at a time when she will be in a position to ask it.

*(Question deferred)*

*Question No.974*

ACHIEVEMENTS OF PERFORMANCE  
CONTRACTING IN PUBLIC SERVICE

**Mr. Chanzu** asked the Minister of State for Public Service:-

- (a) what achievements have been made since the introduction of performance contracting in public service in the year 2005/2006; and,
- (b) what mechanisms are being put in place to ensure improvement in service delivery in the Public Service.

**Mr. Deputy Speaker:** Minister of State for Public Service! We will come back to that Question.

*Question No.1044*

ISSUANCE OF TITLE DEEDS IN LAMU COUNTY

**Mr. Deputy Speaker:** Hon. S. Abdalla! We will come back to it.

*Question No.1051*

DEATHS OF ARMY OFFICERS ON TRAINING

**Mr. Kathuri** asked the Minister of State for Defence:-

(a) whether he is aware that two army officers, Mr. James Njue Ndwiga (PFNo. 76924) and Mr. Wesley Kipkemboi Maiyo (PFNo. 81848), died while training at Manda Bay, Lamu in February, 2011;

(b) whether he could explain the circumstances under which the two died; and,

(c) what measures the Ministry has taken to avoid similar incidents in future.

**The Assistant Minister, Ministry of State for Defence** (Maj-Gen. Nkaisserry): Mr. Deputy Speaker, Sir, I apologise for coming late. In fact, I have just come from my constituency. I did not know that this Question was on the Order Paper.

**Mr. Deputy Speaker:** The Chair will come back to the Question. I hope that, between now and the time we will come back to it, you will have had the answer.

Question No.1111, hon. Hassan Ali Joho.

*Question No.1111*

NON-SUPPLY OF ELECTRICITY TO KONGOWEA /MAWENI RESIDENTS

**Mr. Deputy Speaker:** Is hon. Joho not here? Let us go for the second round. Question No.1 by Private Notice, hon. Kiuna.

**QUESTION BY PRIVATE NOTICE**

NON-PAYMENT OF SALARIES TO PYRETHRUM BOARD EMPLOYEES

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

(a) Is the Minister aware that employees of the Pyrethrum Board of Kenya are currently on a strike due to non-payment of their salaries amounting to Ksh.24 million?

(b) Why have pyrethrum farmers in Molo and Kuresoi, Nakuru County, also not been paid over Ksh.52 million for pyrethrum delivered to the board?



(c) What measures will the Ministry take to ensure that the workers' salaries are paid and farmers paid for the crop delivered?

**The Assistant Minister for Agriculture** (Mr. Mbiuki): Mr. Deputy Speaker, Sir, I would like to start by apologising for coming late. I was in the office waiting for this answer. That was why I got here late.

Mr. Speaker, Sir, I beg to reply.

(a) I am not aware that the employees of the Pyrethrum Board of Kenya (PBK) are currently on strike due to non-payment of their salaries. However, I am aware that the Board has salary arrears of Kshs3.9 million, and not Kshs24 million. The Kshs3.9 million is salaries due to the PBK management staff for the month of July, 2011. This has not precipitated any industrial action to the level of a strike. It will be paid together with the August, 2011 salary after processing, which begins on 18<sup>th</sup> August, 2011.

(b) Pyrethrum farmers in the whole country have not been paid their outstanding debts that the current Board inherited, amounting to Kshs52,556,890, for the flower deliveries of August, 2008 to June, 2009, of which Kshs11,522,331 and Kshs2,059,496 is owed to farmers in Molo, Kuresoi and Keringet respectively. The payment of debts has not been prompt because the Board does not have funds.

(c) The Board has requested approval to sell some of its non-core assets worth Kshs300 million to clear the arrears and the balance to be invested in production and processing activities, which will trigger revenue generation to finance the rest of the budget and ensure sustainability of the pyrethrum business.

Thank you, Mr. Deputy Speaker, Sir.

**Mr. Kiuna:** Mr. Deputy Speaker, Sir, while I appreciate the answer given by the Assistant Minister, pyrethrum farmers from Molo, Kuresoi and the neighbouring district have suffered a lot. The farmers delivered their produce to the Board, and the Board sold their produce to its respective customers. However, the Board is not paying them their dues. What is the Ministry doing to force the Board to pay the farmers their dues? The farmers have already delivered their produce to the Board but it is not paying them.

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, we acknowledge that the PBK owes the farmers Kshs2 million. We have already initiated a process for a Cabinet approval, so that we can sell the PBK non-core assets, so that we can dispose of all these debts. The Cabinet has already given us the approval. We expect to be able to clear all these outstanding debts as soon as possible.

**Mr. Ochieng:** Mr. Deputy Speaker, Sir, the Ministry of Agriculture is very notorious for the way in which it deals with farmers. They do not pay pyrethrum farmers. They do not pay sugar-cane farmers. They do not pay maize farmers. The Ministry is known to have returned almost Kshs8 billion to the Treasury at the end of the last financial year. What is the Ministry doing to make sure that farmers of this country are properly taken care of, so that they can go back to the farms?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, as the Ministry of Agriculture, we want to acknowledge that most of the farmers are owed money in massive arrears. We are trying to re-structure most of our parastatals to ensure that they are really functional, and that they are able to pay farmers in a timely manner. We realise that most of the business activities in which farmers are engaged are not so much commercial. Unfortunately, due to lack of marketing, we have been lagging behind, but we want to promise this House

that the Ministry is doing the best it can to ensure that all arrears are cleared once and for all, and that we are able to pay farmers in a timely way.

**Mr. Letimalo:** Mr. Deputy Speaker, Sir, I have heard the Assistant Minister say that this is a new Board which has inherited debts from the old Board. Why could the Government not waive the debts to enable the new Board start on a new slate, instead of disposing of the Board's assets at the risk of interfering with the Board's operations?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, in the year 2005, the Government gave the PBK Kshs863 million to clear some of these debts. However, some of the debts were not 100 per cent cleared. These are some of the debts which have been outstanding there plus debts owed to some suppliers. We found that the most prudent way of dealing with this issue – because we have not been able to get further funding from the Treasury – was to dispose of the non-core assets of the Board, so that we can clear some of those debts and move on.

**Mr. Njuguna:** Mr. Deputy Speaker, Sir, Kenya has been the main exporter of pyrethrum to the international market. What is the Ministry doing to make sure that this role is maintained?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, we have done some analysis of the problems we have encountered within the sector. The first problem has been lack of enforcement of the law as well as the regulatory framework within the sector. The other problem has been lack of a law on pyrethrum production. What we are doing is to ensure that farmers are paid in time, so that they can be motivated to ensure that we have adequate production. The other measure is to ensure that we have good corporate management of the PBK, because poor corporate governance and mismanagement have also led to poor performance.

**Mr. Kiuna:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to mislead this House by saying that his Ministry is paying farmers on time, yet there are poor farmers who delivered their produce last April, who have not been paid? Is he in order to mislead the House by purporting that they pay pyrethrum farmers promptly?

**Mr. Deputy Speaker:** Did the Assistant Minister say so?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, I did not say that we pay farmers promptly. I acknowledged that we owe farmers Kshs52 million.

**Mr. Koech:** On a point of order, Mr. Deputy Speaker, Sir. You have heard the Assistant Minister indicate that he is not aware that the employees of the PBK have not been paid salary arrears amounting to Kshs24 million, yet the truth of the matter is that the salaries for April, May and June were paid last week, just to counter this Question? Is he in order to mislead this House by saying that he is not aware of this?

**Mr. Deputy Speaker:** Order! He is in order in the sense that part of the arrears have been paid. The Assistant Minister is answering the Question today, 17<sup>th</sup> August, 2011. You have already said that the workers have been paid, and that is what holding the Government accountable is all about. That is the role of the Backbenchers. Even if they do it after you ask a Question, that is essentially why you are here.

**An hon. Member:** On a point of information, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Last question, Mr. Kiuna!

**Mr. Kiuna:** Mr. Deputy Speaker, Sir, I am not fully convinced by the answer the Assistant Minister has given this House. This is because as I am talking right now, these

employees of the Board are still on strike. They have called me this morning and told me that they have not yet been paid their salaries.

**Mr. Deputy Speaker, Sir,** I would like your indulgence and advice on whether what the Assistant Minister has said is true. We should go to the ground and verify that these employees of the Board have not yet been paid.

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, I want to confirm to this hon. House that there is no strike at the PBK. When it comes to salary arrears, the PBK owes only Kshs3.9 million to the management staff only and not the other members of staff. There is, therefore, no salary arrears to other categories of employees.

**Mr. Kiuna:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to continue misleading this House that the Board has paid the employees---

**Mr. Deputy Speaker:** Do you contend the statement as the Assistant Minister put it, that they have been paid their salaries, save for Kshs3.9 million?

**Mr. Kiuna:** Yes, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Fair enough! Ask your last question!

**Mr. Kiuna:** Mr. Deputy Speaker, Sir, with all due respect, I would request that this matter be referred to the relevant Ministry for further perusal so that these people can be paid their dues.

**Mr. Deputy Speaker:** Assistant Minister, the hon. Member says that he wants to go with you to confirm that the information you have is not factual. Are you willing to verify that?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, this is the relevant Ministry therefore, he does not need to go to any other Ministry. I am willing to go with him so that we can verify that the only balance that is remaining is only Kshs3.9 million which will be paid by the end of this month and there will be no salary arrears.

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

**Mr. Deputy Speaker:** Order, Mr. Kiuna! You asked the Chair's indulgence for the Assistant Minister to go with you to verify. He is willing to go with you to verify it. The Question is over. Go with the Assistant Minister and verify the same. Indeed, if what the Assistant Minister says here is actually misleading, then you can come to the House and say the same.

Next Question by Mr. John Pesa.

## ORAL ANSWERS TO QUESTIONS

### *Question No.1032*

#### HARASSMENT OF PITALIS OJOWI OMUTU OVER AFC LOAN

**Mr. Pesa:** Mr. Deputy Speaker, Sir, I beg to apologize for coming late to the House. I was held up in traffic jam which I could not avoid. I ask for your indulgence that I ask this Question.

**Mr. Deputy Speaker:** Being held in traffic jam is not an excuse that this Chair---

**Mr. Pesa:** It is unfortunate, Mr. Deputy Speaker, Sir. I am sorry.

**Mr. Deputy Speaker:** Next time, you better be on time. Assistant Minister, please, proceed and answer the Question!

**Mr. Pesa:** I have not asked the Question, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Ask the Question!

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

(a) when the Agricultural Finance Corporation (AFC) advanced a loan to Mr. Pitalis Ojowi Omutu of Migori for poultry farming vide his account no. AFC/DRU/A/C 183827995,

(b) what the total loan was and how much Mr. Omutu had repaid to AFC before the Government's decision to write off loans owed by farmers to AFC in 2002; and,

(c) why AFC continues to harass Mr. Omutu despite such loans having been written off.

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

(a) The Agricultural Finance Corporation advanced poultry loan to Mr. Pitalis Ojowi Omutu on 24<sup>th</sup> September 1991.

(b) By the time the Government wrote off loans owed by farmers in 2002, the total loan for Mr. Omutu was Kshs203,959.59. The farmer has paid Kshs41,700 leaving an outstanding balance of Kshs162,259.

(c) The AFC has continued to demand for the payment of the loan since Mr. Omutu was not among the beneficiaries of the loan write off approved through the Sessional Paper No.1 of 2002.

Thank you.

**Mr. Pesa:** Mr. Deputy Speaker, Sir, the Assistant Minister has given an answer. He concedes that the amount of loan was Kshs50,000 and this farmer, Mr. Omutu, has paid Kshs79,800. They still demand that he pays an additional amount of Kshs58,316.20. This exceeds Kshs100,000. According to an Act of this Parliament, the amount of interest cannot exceed the amount of money loaned to a farmer. Could the Assistant Minister consider reducing this money to comply with the Act of this House?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, first of all, we need to acknowledge that Mr. Omutu took this loan of Kshs50,000 about 20 years ago. Since then, he has paid a total of Kshs79,000. He has not even reached the 100 per cent peak. Therefore, he has a long way to go.

**Mr. Imanyara:** Mr. Deputy Speaker, Sir, the Assistant Minister agrees that some people benefited from the write off of the AFC loans. Why is Mr. Omutu being discriminated against? Why is his loan not amongst those that were waived by the Government?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, the loans write off are normally originated by this House through a Sessional Paper. When that Paper was presented, poultry farmers were not among the beneficiaries. However, since Mr. Ababu Namwamba is bringing a Motion towards that direction, we will humbly request him to ensure that poultry farmers can be part of the package this time round.

**Mr. Olago:** Mr. Deputy Speaker, Sir, this farmer took a loan of Kshs50,000. I am privy to the detailed answer of the Assistant Minister and as at this month, interest on arrears alone had risen to Kshs310,000. This is certainly un-cushionable. Is the Assistant

Minister aware of the *in duplum* rule that requires that loans cannot be repaid more than twice the principal amount?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, we are aware. However, there are some late payment fees which have been due for the last 20 years when the loans have been outstanding. That is what has been computed and the AFC has given him some interest concession so that he can clear this loan once and for all.

**Mr. Olago:** On a point of order, Mr. Deputy Speaker, Sir. The *in duplum* rule simply states that the amount repayable shall not exceed the principal twice. In this case, the answer says that the amount is another Kshs58, 000. Is it in order for the Assistant Minister to say that the amount to be paid is over Kshs50, 000 when in actual fact the amount to be repaid should be Kshs20,200 and no more?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, the total amount of loan which was taken was not Kshs25,000. The total was Kshs50,000. There was an amount of Kshs25,000 disbursed for development. Then the amount disbursed for working capital was Kshs25,000. That brings a total of Kshs50,000.

**Mr. Magwanga:** Mr. Deputy Speaker, Sir, can the Assistant Minister tell this House what criteria was used in writing off some loans and leaving others?

**Mr. Deputy Speaker:** Mr. Pesa, ask the final question on the same!

**Mr. Pesa:** Mr. Deputy Speaker, Sir, the Assistant Minister concedes that if this farmer had paid Kshs100,000 he would have considered that. Could the Assistant Minister commit to this House that once this farmer pays Kshs20,200, he will waive the balance of the amount due in compliance with the Act?

**Mr. Deputy Speaker:** That would be twice the principal amount.  
Mr. Assistant Minister, proceed and give an undertaking on the same?

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, I cannot undertake that, but the farmer can come and see me and then we can approach the AFC, so that we can review this letter or something can be done.

**Mr. Pesa:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to ask this poor farmer to travel to Nairobi, and yet I have asked this Question in Parliament and the Assistant Minister can make a commitment in this House?

**Mr. Deputy Speaker:** Mr. Assistant Minister, probably it would befit more if you had asked the hon. Member to come to your office.

**Mr. Mbiuki:** Mr. Deputy Speaker, Sir, I have had serious discussion with Mr. Pesa about this farmer. I would like to invite him for a cup of tea after this as we discuss this arrangement. After that we can be able to clear these things once and for all. *Karibu, Bw. Pesa!*

**Mr. Pesa:** Mr. Deputy Speaker, Sir, I will go.

*(Laughter)*

*Question No.886*

GOVERNMENT-TARMACKED ROADS IN JUJA CONSTITUENCY

**Mr. Deputy Speaker:** Mr. Kabogo still not here?

**Mr. Olago:** Mr. Deputy Speaker, Sir, there is Question No.1032 that you put to the next round and you have just passed it.

**Mr. Deputy Speaker:** Order, Mr. Olago!

**Mr. Olago:** I am very sorry, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Is hon. Kabogo still not here? That Question is dropped!

*(Question dropped)*

**Mr. Deputy Speaker:** Let us move on to Question No.937 by Mr. Olago!

**Mr. Olago:** Mr. Deputy Speaker, Sir, I wish to apologize for having come late, which is very unusual. I was attending a caucus meeting for youth empowerment with the World Vision.

*Question No.937*

#### WIDENING OF KISAT BRIDGE

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

(a) whether he is aware that the widening and improvement of the section of Kisumu–Maseno Road, between the newly-improved Kisumu International Airport and Kisat Bridge, will not serve the intended purpose of efficient flow of traffic to and from the airport unless Kisat Bridge and the section of the road between KICOMI and the bridge is also widened and improved; and,

(b) what the Ministry’s plan is to widen and improve Kisat Bridge as well as the section of the road between the bridge and KICOMI to accommodate the expected heavy flow of traffic between the airport and Kisumu Town Centre.

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

(a) I am aware that the widening and improvement of the Kisumu–Maseno Road, between the new Kisumu International Airport and Kisat Bridge will not completely solve the problem of traffic flow unless the Kisat Bridge and the section of the road between KICOMI and the bridge is also widened and improved.

(b) My Ministry plans to construct a twin bridge, each approximately 11 meters wide at Kisat as part of the upcoming rehabilitation of Nyamasaria-Kisumu-Kisian Road and the Kisumu Bypass Road. An additional carriageway will be constructed from Obote Road, that is, at KICOMI to the new Airport Junction, hence the road will be dual when completed. Therefore, the existing road on the section between KICOMI and the bridge will serve as one-way traffic that is Kisumu bound and is expected to be adequate. Necessary improvements including pedestrian walkways and circle paths will also be done in this section of the road.

**Mr. Olago:** Mr. Deputy Speaker, Sir, I am happy with the answer because this road not only serves Kisumu but also Uganda, Rwanda, Burundi and the Democratic Republic of Congo (DRC). However, I would like to know the details of this contract that the Assistant Minister has talked about. When will the road construction reach Kisat Bridge?

**Mr. Kinyanjui:** Mr. Deputy Speaker, Sir, the rehabilitation contract was awarded to Sinohydro Corporation on 31<sup>st</sup> March, 2011 for a contract sum of Kshs5.788 billion. The contract was signed on 3<sup>rd</sup> August and the contractor is mobilizing to begin the work. We, therefore, expect him to have begun the work by end of September. The contract period is 30 months and is expected to commence later this month. The expected date of completion will be January, 2014. The project will be funded jointly by the Government of Kenya and the World Bank in a 67 to 33 proportion respectively.

**Mr. Deputy Speaker:** Clearly, Mr. Olago you are satisfied. That is the impression of the Chair.

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

**Mr. Deputy Speaker:** Let us move on to Question No.974 by Mr. Chanzu!

**Mr. Chanzu:** Thank you, Mr. Deputy Speaker, Sir. I would like to ask Question No.974 for the second time.

*Question No.974*

ACHIEVEMENTS OF PERFORMANCE  
CONTRACTING IN PUBLIC SERVICE

**Mr. Chanzu** asked the Minister of State for Public Service:-

(a) what achievements have been made since the introduction of performance contracting in public service in the year 2005/2006; and,

(b) what mechanisms are being put in place to ensure improvement in service delivery in the public service.

**Mr. Deputy Speaker:** Is anyone here from the Ministry of State for Public Service? Maj. Sugow, are you not the Assistant Minister, Ministry of State for Public Service?

**The Assistant Minister, Ministry of State of Public Service** (Maj. Sugow): Yes, Mr. Deputy Speaker, Sir. I have just arrived from my Constituency and I expected the Minister to be in the House. I have just been going through the Order Paper because I have been away. I kindly request that I be given adequate time to follow up on the matter and I will be able to answer this Question.

**Mr. Deputy Speaker:** The Chair directs that this Question be listed on the Order Paper on Tuesday, next week!

*(Question deferred)*

**Mr. Deputy Speaker:** Let us move on to Question No.1044 by Ms. S. Abdalla!

**Ms. S. Abdalla:** Thank you, Mr. Deputy Speaker, Sir. I also want to record my apology for coming late.

*Question No.1044*

ISSUANCE OF TITLE DEEDS IN  
LAMU COUNTY

**Ms. S. Abdalla** asked the Minister for Lands:-

(a) when the indigenous land owners in Lamu County will be issued with title deeds;

(b) whether he is aware that there is only one surveyor and two assistant surveyors in the whole county; and,

(c) what plans the Ministry has to increase the number of staff in order to cope with the volume of work.

**Mr. Deputy Speaker:** Is anyone here from the Ministry of Lands? The Chair expresses the frustration, as usual, of Ministers not being in the Chamber to answer Questions. These are Ordinary Questions and they have had, at least, three or four weeks or in some cases, even two months to prepare themselves to answer the Questions but they still do not come to the House to answer them. Nonetheless, I will direct that this Question be listed on the Order Paper next week, on Wednesday morning.

*(Question deferred)*

**Mr. Deputy Speaker:** Let us move on to Question No.1051 by Mr. Kathuri!

**Mr. Kathuri:** Thank you, Mr. Deputy Speaker, Sir. I rise for the second time to ask Question No.1051 on the Order Paper.

*Question No.1051*

#### DEATHS OF ARMY OFFICERS ON TRAINING

**Mr. Kathuri** asked the Minister of State for Defence:-

(a) whether he is aware that two army officers, Mr. James Njue Ndwiga (PF No. 76924) and Mr. Wesley Kipkemboi Maiyo (PF No. 81848) died while training at Manda Bay, Lamu in February, 2011;

(b) whether he could explain the circumstances under which the two died; and,

(c) what measures the Ministry has taken to avoid similar incidents in future.

**The Minister of State for Defence** (Mr. Haji): Mr. Deputy Speaker, Sir, I apologize for coming late. I expected my Assistant Minister to be here.

Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that the two servicemen, PF No. 76924, Private James Njue Ndwiga and PF No. 81848, Private Wesley Maiyo died on 25<sup>th</sup> February, 2011, while undergoing a ranger training at Manda Link Span, Kenya Navy Base, Manda.

(b) The two servicemen belonged to the elite Ranger Force of Kenya Defence Force whose members are drawn from the Defence Force on voluntary basis. Private Njue volunteered from the 12 Engineers, while Private Maiyo was from Electrical and Mechanical Engineers. As a prerequisite to join the Rangers Strike Force, potential rangers undergo a four-week Ranger pre-selection course.

The course is designed to select those suitable for ranger training employment for subsequent deployment in the 40 Ranger Strike Force Battalion. The four weeks



programme consists of physical training, the requirement of which entails the candidates to familiarize themselves with the operational procedures in combat water survival before undertaking further specialized training. All introductory swimming lessons are conducted in swimming pools before swimming in a major water body, including the Indian Ocean, which comes in the third phase of the swamp training. It was during that Phase III of Ranger training which was being conducted in the Indian Ocean that the two servicemen drowned. The drowning incident was attributed to an accident due to unpredictable ocean tide.

(c) The ranger instructors and, indeed, all military training institutions have, nevertheless, been sensitized on the need to uphold safety in training, as has been our tradition all the time. In addition, the ranger instructors have also been instructed to endeavour to monitor the ocean tide before such training sessions to ensure the trainees' safety, even though the tide, at times, is known to be erratic.

**Mr. Kathuri:** Mr. Deputy Speaker, Sir, I appreciate the answer given by the Assistant Minister. But even though at times the ocean tide is erratic, I would like to know the role the lifesavers or the instructors played in trying to save the lives of those two young men. Apparently, it appears that they were not prepared and there was no fault committed by the instructors. Could the Assistant Minister inform us what role the instructors or the lifesavers played in trying to save them?

**Mr. Haji:** Mr. Deputy Speaker, Sir, the number of officers who were in that exercise was more than the two who died. The instructors are always instructed to be around to assist anyone who would run into problems. But you will appreciate that the number was big and it was too late when it was discovered that the two officers had ran into a problem.

**Dr. Khalwale:** Mr. Deputy Speaker, Sir, my condolences to the family members of the two officers. The exercises those people are supposed to undergo are very rigorous. Could the Assistant Minister table in this House the pre-exercise medical report that certified that the two officers were fit to undergo that kind of rigorous training? Could he go further and table the postmortem findings to tell us the actual cause of death? If those boys were not fit, the postmortem findings will confirm that the cause of death was not necessarily the drowning but another pre-existing medical condition.

**Mr. Haji:** Mr. Deputy Speaker, Sir, whereas all military training is imparted with emphasis and with the encouragement to go the extra mile, it is worth to note that individuals are pushed only to their limits and in areas where they can perform. But those who prove unfit to meet the required military standards for specialized units, and those who opt to quit training on evaluation, are discontinued from training and deployed back to their original units. Those officers, when they came from their original units, were found to be fit medically and, therefore, the question of producing the medical report right now was not envisaged before I came to answer the Question.

**Dr. Khalwale:** On a point of order, Mr. Deputy Speaker, Sir. The Standing Orders allow us to support our answers or Questions with facts within 48 hours. We cannot just push under the mat the death of a Kenyan. I am requesting that the Minister tables in this House that certificate that proved that those two officers were fit to undergo that rigorous training and, more importantly, the postmortem findings.

**Mr. Haji:** Mr. Deputy Speaker, Sir, as I said, I did not anticipate that this question about the death certificate will arise. But if given time, we will produce it, including the first medical test before the training.

**Mr. Koech:** On a point of order, Mr. Deputy Speaker, Sir. This is a grave matter and, as requested by Dr. Khalwale, would I be in order to request that this Question be deferred so that the Minister could table all those documents?

**Mr. Kathuri:** On a point of order, Mr. Deputy Speaker, Sir. While also requesting for the Question to be deferred for a more elaborate answer, could the Minister table the payments that have been made to the beneficiaries?

**Mr. Haji:** Mr. Deputy Speaker, Sir, I think I have answered the Question very satisfactorily and, therefore, I do not see the reason why we should defer this Question. As regards the question of payment, I am prepared to give this information to the hon. Member even by tomorrow, if possible.

**Mr. Deputy Speaker:** Hon. Members, given the gravity of the matter itself, and whereas this matter is of a military nature and it has to do with our national security, nonetheless, it would not be that much of compromise in our national security to show that a member of the armed forces was medically fit at the time that he had to undertake that extra rigorous exercise. The Chair directs that this Question be listed on the Order Paper on Wednesday afternoon and, as the Minister has said, he will bring the information that has essentially been requested for, because the bulk of the Question has been answered. It is so directed.

*(Question deferred)*

Next Question; for the second time, hon. Joho!

**Mr. Joho:** Mr. Deputy Speaker, Sir, I apologize for coming late. It was due to unavoidable circumstances.

*Question No.1111*

NON-SUPPLY OF ELECTRICITY TO  
KONGOWEA /MAWENI RESIDENTS

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

(a) whether he is aware that most of the households in Kongowea and Maweni in Kisauni Constituency lack electricity due to failure by the Kenya Power and Lighting Company Ltd. to install a transformer with capacity to serve the area; and,

(b) what measures he is taking to remedy the situation?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, we have discussed this issue with the hon. Member. We have concurred that transformers have been put in the areas that he has mentioned. If there are other areas that have not been mentioned here, we are prepared to deal with them. But we have settled this matter with the hon. Member.

**Mr. Deputy Speaker:** Mr. Joho, are you satisfied that, indeed, the Ministry acted promptly and installed the transformers?

**Mr. Joho:** Yes, Mr. Deputy Speaker, Sir. I want to thank you, on behalf of my constituents, for the directive. The Ministry started working promptly after your directions and it is continuing to put new transformers within the constituency.

## MINISTERIAL STATEMENTS

### RISING COST OF POWER/ FREQUENT POWER RATIONING IN KENYA

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, on Tuesday, 2<sup>nd</sup> August, 2011, Mr. Pesa requested me to make a Statement on the rising cost of power and frequent power rationing in the country. He said that in my Statement, I should clarify the following:-

(i) Whether the African Development Bank has granted Kshs4 billion to procure three units and equipment to harvest geothermal power as an alternative source of energy in Menengai, Baringo, Turkana and other areas. Secondly, what immediate actions I am taking to ensure that my Ministry puts funds into good use in order to cushion Kenyans against the rising cost of power, as well as the power rationing.

Thirdly, what measures were being put in place to generate more power, avoid power rationing and ensure that Kenyans, including residents of Migori Constituency who are prone to power interruptions, have access to cheap and reliable power.

I beg to make the following Statement. The African Development Bank (ADB) has not granted Kshs4 billion to procure new rigs and equipment to harvest geothermal power as an alternative source of energy in Menengai, Baringo, Turkana and, indeed, other areas. However, discussions have been held with the bank. The management of the bank is in the process of preparing a board paper for extending a geothermal resource statement loan to Kenya equivalent to Kshs8 billion. Those funds, when availed, will largely be expended in drilling steam production wells.

With regard to the rising cost of power and the frequent power rationing, I wish to clarify that, this has been occasioned by:-

(a) Reduced contribution of hydro-electric power in the country's electricity supply due to the current dry spell. That has led to the increased use of expensive oil based thermal power.

(b) Delayed implementation of new generation capacity to match demand growth due to inability to raise on-time payment guarantees required by project development financial institutions before reaching financial closures.

A number of outages affecting key power generating units have also contributed to the current power rationing. Those generators include a 60 megawatts gas turbine capacity whose installation in Nairobi had delayed for more than nine months. One of the two 30 megawatts turbines is to be commissioned this week, and the second by 31<sup>st</sup> August, 2011.

Two, the Turkwell, Phase 3 megawatts generator number two, which has been out of service for maintenance since June 2011, is expected to be in service this week. In Mumias, a 26 megawatts generation facility which has been on and off for a long time is also expected to work. The impact of those outages is more severe in Western Kenyan where both Turkwell and Mumias are located. In addition, the grid connection of western

Kenya to the rest of the country's generation facilities is inadequate. As a result, voltages to western Kenya become depressed when power demand from the region is met from outside the region, necessitating rationing even when there is a surplus generation capacity within the rest of the grid.

Immediate measures to address the power rationing in the short term include a 40 megawatts of emergency power capacity which will be installed in Muhoroni by the end of September, 2011. A further 50 megawatts of similar capacity will be installed at Embakasi, thus bringing the total emergency power capacity at Embakasi to 110 megawatts. With the installation of that capacity and prudent management of water in our hydro power dams, power rationing is expected to be discontinued by the end of September, 2011.

In terms of medium-term measures to reduce the cost of electricity, we have embarked on the following: To provide adequate power at a lower cost in western Kenya, 80 megawatts of new generation will be installed at Muhoroni within the next 18 months. Another three IBP Power Plants are scheduled for commissioning at the Nairobi Metropolis by the fourth quarter of 2013. The long-term measures to reduce the cost of electricity include: Development of geothermal power plant, 316 megawatts. As part of the long-term solution to the country's power needs, 280 megawatts of new geothermal generation will be commissioned at Ol Karia by the first quarter of 2013 and another 36 megawatts by 2014. To help evacuate additional power to western Kenya, a 220 KV double socket transmission line from Ol Karia to Kisumu via Lessos will also be commissioned by 2014. The Ol Karia plant will introduce reliable and cheap generation in the country's mix and thus, reduce the overall power costs, while the transmission lines will facilitate delivery of power from Ol Karia and the rest of the grid to western Kenya.

In parallel with these actions, development of other geothermal sites like Menengai is going on. Those sites will provide the country with low cost power in the long-term. With regard to wind power, a 380 megawatts wind power capacity will be commissioned by June, 2030; that is the one in Longorani in Marsabit. Other wind farms are also expected to be developed by 2015.

We also plan, in the long-term, to develop, at least, 600 megawatts of coal fire capacity by 2015 using both local and imported coal.

Thank you.

**Mr. Pesa:** Mr. Deputy Speaker, Sir, I thank the Assistant Minister for giving us this elaborate answer. I am glad to learn from him that instead of Kshs4 billion, we are talking about Kshs8 billion that is in the process of being acquired. However, in the short term, western Kenyan is currently suffering from power interruptions and our small industries are affected. The Assistant Minister has said that he will put up a power plant engine at Muhoroni. When will he do that and how much money has he put aside to do the work so that small industries in western Kenyan can benefit from that?

**Mr. Ethuro:** Mr. Deputy Speaker, Sir, I also want to thank the Assistant Minister for that Statement. I also wish to seek a few clarifications from him. The joke in the world is that if you fly over the globe, you can tell where Africa is from the darkness that you see, especially at night. In all the other continents, you can see some light. When will the Assistant Minister ensure that a cheaper source of energy, which is geothermal power, is developed in order to improve electricity production in this country to meet the expectations of Vision 2030? I can see him still looking for hydro power. The reason he

has given for the reduced power supply is reduction in hydro power. That is not an area to invest in, Mr. Assistant Minister. You need to invest more resources in geothermal power, especially in areas like Silale and Kapyodo in Turkana County, which are least developed.

**Mr. Yinda:** Thank you Mr. Deputy Speaker, Sir. I would like to get one or two clarifications from the Assistant Minister. In his statement, I did not hear properly whether the Kshs8 billion will also be used for procuring rigs. The reason for that is that, at the moment, geothermal needs more capacity. To be able to drill and cover all parts of Kenya, including Baringo, Turkana, Homa Bay and all those areas, definitely, we need to procure more rigs. Using rigs belonging to the Chinese is very expensive. Will the Assistant Minister ensure that most of those funds will be used to procure rigs?

**Mr. Kigen:** Thank you Mr. Deputy Speaker, Sir. The Assistant Minister has cited a few sources of power. However, we are made to understand that geothermal is the way to go now. The explanations that have been given to us by those who are presiding over the production of power through geothermal is that the cost of power in the next four to five years will come down by about 58 per cent. In last year's Budget, they asked the Government to allocate a substantial amount of money so as to meet their targets. Apart from the money that is coming from donors, why has the Government not allocated funds to geothermal power production as requested?

**Mr. Langat:** Mr. Deputy Speaker, Sir, the issue of power rationing is affecting our economy. It has been happening year in, year out. Many Members have talked about geothermal being the way to go. As we speak right now, the Deputy Prime Minister and Minister for Finance is seeking approval from this House to approve in excess of Kshs45 billion to KenGen and yet, the geothermal company has not been financed. Could the Assistant Minister ensure that the money that we approve will go to the geothermal company instead of KenGen, so that we commercialize the generation of electricity through geothermal?

Mr. Deputy Speaker, Sir, secondly, the Assistant Minister has said that they are putting up a plant in Muhoroni. Could he clarify whether it is Muhoroni or Ainamoi Kipsiteter?

**Mr. Warugongo:** Mr. Deputy Speaker, Sir, there are some donors who want to come to my constituency and they want to construct a technical school, but they have asked me whether they can come and generate their own power. Could the Assistant Minister confirm that they can produce their own power, or come in with equipment necessary to produce power for that school?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, on the clarification sought by hon. Pesa on when Muhoroni will be coming on line, I say that it is coming on line by the end of September this year. We are also developing the line from Ol Karia to Kisumu via Lessos, so that there is interconnectivity of power. On the clarification sought by hon. Ethuro about the geothermal power resource, yes, in fact, at the Ministry we are really seeking ways of developing the geothermal power resource, so that the country can depend on it, and have less dependency on hydropower. We are aware that hydropower is not very reliable. I think hydropower is very expensive, and geothermal energy is the way to go. I agree with him.

On the Kshs8 billion, hon. Yinda asked whether the money will also be used to buy rigs. Yes, I say that the money will be used for geothermal resource assessment and

this will also include rigs. We will buy rigs and also do the exploratory drilling. As of now, we have two rigs of our own and that is why we are actually drilling in the Menengai area. Two more rigs will be bought using AFD funds from France. So, we will keep acquiring rigs up to some optimal number. We also do not want to have so many rigs, but I am sure that money will be used. On the question asked by hon. Kigen about why only donors do the work while we have got money from the Government of Kenya (GOK), yes, we have asked for donors, because all these things require counterpart funding from the GOK. We have asked for a lot of money from GOK resources. In the discussions with the Departmental Committee on Energy, we have shown them what we have requested, what we have been given and the deficit; we hope in due course we might get extra money, but there is some money from GOK for that.

Mr. Deputy Speaker, Sir, on the sixth question by hon. Warugongo about whether the private sector people can come and generate electricity, yes, there is a process we normally follow. The hon. Member can come to our office and there is a process that those people can follow. They can generate their own electricity, use it for their purpose and even sell the surplus to the national grid using the billing tariffs that we have enacted.

**Mr. Langat:** On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister has not answered my question. The Minister for Finance is currently seeking approval from the House to borrow in excess of Kshs45 billion for KenGen. I am asking the Assistant Minister whether the Minister can use that money for geothermal power production instead of it going to KenGen.

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, I am sorry; that escaped my mind. The money which is being sought by the Minister for Finance is actually for 140 megawatts project in Ol Karia IV, and 140 megawatts project in Ol Karia I, Unit 4 and 5. Some of these loans have been actually negotiated by KenGen. For your information, this drilling was done by KenGen prior to the establishment of the Geothermal Development Corporation (GDC). So, Ol Karia---

**Mr. Shakeel:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to inform the House about the action that KenGen took prior to the establishment of GDC, when we are aware that GDC has been established for over two years now? So, is he saying that this action was taken before the GDC came into operation? Why was it not changed to GDC?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, the wells whose steam we want to convert into energy in Ol Karia IV were--

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**Mr. Sirma:** On a point of order, Mr. Deputy Speaker, Sir. When the GDC was established, it took over all the geothermal production of power in this country. Is the Assistant Minister in order to mislead this House that since KenGen still exists, the GDC cannot take over the same money? Does it have other purposes?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, with all respect to the hon. Member, the Ol Karia field is concessioned to KenGen. So, the wells were actually drilled by the GOK using KenGen. The GDC is now---

**Mr. Ethuro:** It can inherit anything!

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, the inheritance has not been done because--- The wells in Ol Karia which

were drilled before the establishment of the GDC are 26. Another 10 wells were done by the GDC. These wells will be improved by KenGen.

**Mr. Ethuro:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to mislead this House when we are reminding him that KenGen is actually a private company, and the GDC is owned by the GOK for a particular purpose of drilling wells? When you are an inheritor to something, you must inherit everything; those wells that are still under KenGen were drilled using state resources. So, all of them must be go to GDC. The question hon. Members are asking is whether the Assistant Minister is not giving the wells to the GDC from KenGen? The answer is that the existing cartels in the energy sector are holding them hostage and causing power shortages in this country!

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, it is not true that KenGen is a private company. It is 70 per cent Government owned. It is a parastatal of the Ministry of Energy. The fact of the matter is that those wells are actually managed by KenGen. I am not misleading the House.

**Mr. Deputy Speaker:** Why are they being managed by KenGen when we have the GDC?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, it was thought prudent that the wells that were drilled by KenGen should be equipped by KenGen because KenGen regenerates power; they harness steam and convert it to energy. The other thing is that when the GDC has wells, they generate the power and sell it to KenGen. So, we are avoiding one step. The generation can just be done straight by KenGen. So, the money which is being sought is for equipping those wells to generate 280 megawatts. The wells were even drilled prior to the establishment of the GDC. Remember they were saying that we should go and transfer--- We have discussed this matter at length with the Departmental Committee on Energy; the matter is not new to hon. Ethuro, because he has been sitting in that committee, where we have discussed it at length.

**Dr. Nuh:** Mr. Deputy Speaker, Sir, since the Assistant Minister is adamant that they have decided the wells be kept by KenGen, what is the increase in terms of percentage in the equity of shareholding that the Government has gained by taking these wells to be managed by KenGen?

**Mr. Deputy Speaker:** Mr. Assistant Minister, the contention of the members is that the wells were drilled using public money. KenGen is a parastatal, but nonetheless, partly owned by a private entity. Geothermal Company is a fully State owned company. What is the wisdom of keeping these assets from the specialized authority which is now the GDC?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, when the GDC was formed, in fact, the funding from Government which was availed hitherto to KenGen was not forthcoming as required. KenGen is 70 per cent owned by the Government and 30 per cent owned by private investors. So, they borrowed, and those assets are actually in their books. However, for any new drilling, it was thought that we now use the GDC. But for the drilling which has been done prior to the coming into the force of the GDC, it was thought--- This is the discussion we are

having with the Departmental Committee on Energy, Communication and Information. However, we have not finalized those discussions.

**Mr. Ogindo:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to avoid answering hon. Dr. Nuh's question? The hon. Member wanted to know what the Government has done to capitalize the Government investment in the drilling of the wells because the ownership by the Government stands at 70 per cent. Could he consider tabling the share certificates of the leading shareholders of KenGen?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, the wells are part of the capitalization of the 70 per cent owned by the Government.

**Mr. Deputy Speaker:** Is it your contention, Assistant Minister that actually the wells were drilled by the parastatal, including also the 30 per cent capitalization by the private investors, or it is wholly done, a 100 per cent, at the taxpayers cost?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, it is done 100 per cent by the Government.

**Mr. Deputy Speaker:** If it is done 100 per cent by Government, how do you transfer that to a company that is owned 50 per cent by other private investors?

**The Assistant Minister for Energy** (Eng. M. Mahamud): In KenGen, it is shown that those assets are actually part of the 70 per cent, which is owned by the Government.

**Mr. Sirma:** Mr. Deputy Speaker, Sir, I do not know whether the Assistant Minister has really understood this Question. If KenGen was owned, 100 per cent, by Government before, and sold 30 per cent, you are adding another amount of money into KenGen. What does the Government get in terms of per centages of shareholding in this? He seems not to understand these things. What is happening?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, will I seek your guidance because the matter we are discussing is coming before this House. The Member is anticipating the debate that is going to come. We are now discussing Sessional paper which was tabled, but it is yet to be on the Order Paper of the House. I am discussing about shortages.

**Mr. Ochieng:** On a point of order, Mr. Deputy Speaker, Sir. It seems the Assistant Minister will not give us a convincing answer in this particular matter. Could we defer this statement, so that he comes up with a more appropriate statement after doing proper research? I agree with him that anticipating debate in this matter will not work. We do not know whether those Bills will come here or not.

**The Assistant Minister** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, the question from hon. Langat was that the Minister for Finance was going to bring a request to this House for Kshs45 billion. In fact, we are anticipating debate. I do not think it is fair for us to defer the statement. Let us wait for the Motion to come to the floor of the House. This was a supplementary question asked by a Member. It was not the main subject of my statement.

**Mr. Shakeel:** Mr. Deputy Speaker, Sir, could the Assistant Minister, please, tell us, how come KenGen paid US\$4 million to a company from Iceland for technology that was not tested anywhere and for which no tenders were given; it was single sourcing? We now understand that the Iceland Company is a skeleton company owned by some shrewd or crooked businessmen in Kenya who have been involved in other aspects of corruption. These individuals are now working with the Norwegian Company. The wells were sunk



by an Indian Company, but the turbines did not work, yet they have been given a contract for more turbines.

Does he know about the US\$4 million that was paid through single sourcing for a project that has not worked?

**The Assistant Minister for Energy** (Eng. M.M. Mahamud): Mr. Deputy Speaker, Sir, I am not aware.

## POINTS OF ORDER

### PLAYING OF LOUD MUSIC BY LIONS EYE HOSPITAL

**Mr. Ethuro:** On a point of order, Mr. Deputy Speaker, Sir. I sought a Ministerial Statement from the Minister for Environment and Mineral Resources on the circumstances, under which the Lions Hospital plays loud music in a residential neighbourhood. That was on the 15<sup>th</sup> of May, and another subsequent request on 26<sup>th</sup> July. Up to now, I am yet to get an answer.

### ARREST OF POLICE RESERVISTS BY KWS PERSONNEL

Mr. Deputy Speaker, Sir, I also sought a statement from the Minister for Forestry and Wildlife, and the Assistant Minister is here busy talking, on the arrest, arraignment and conviction of the Kenya police reservists by the KWS personnel from Oropoi, Turkana West District in Turkana County. That statement was requested for on 26<sup>th</sup> July, this year. I am yet to get an answer.

**Mr. Deputy Speaker:** Yes, indeed, on the Ministry of Forestry----

*(Loud Consultations)*

Order! Ministers, take responsibility for basically your mandates here and the issues that are being raised. Think about how you are going to respond to these things instead of talking to yourselves. Indeed, hon. Ethuro sought a Ministerial Statement from the Ministry of Environment and also sought another one from the Ministry of Forestry on the arrest, arraignment and conviction of KPR from Olopois. To date none of the statements has been issued.

The other one was on the upsurge in insecurity in Turkana by the same hon. Ethuro, which was done---. Hon. Ethuro, are you sure this Ministerial has not been delivered by the Minister of State for Provincial Administration and Internal Security?

**Mr. Ethuro:** Mr. Deputy Speaker, Sir, the one on insecurity was actually delivered, but the Chair made a rider that because I was not available, it will dependent on my satisfaction. I am a completely dissatisfied person, given the state of affairs in that County. But that will be for another day. For now, I am interested in the Minister for Forestry and Wildlife.

**Mr. Deputy Speaker:** Assistant Minister for Forestry and Wildlife, why do you not have your Ministerial Statement available?

**The Assistant Minister for Forestry and Wildlife** (Mr. Nanok): Mr. Deputy Speaker, Sir, I look surprised because I was not aware about this Statement. I will try and find out and deliver it on Wednesday, next week if the hon. Member can agree to that.

**Mr. Deputy Speaker:** You will deliver it on Wednesday, next week?

**The Assistant Minister for Forestry and Wildlife** (Mr. Nanok): Yes, we will look for it. Either my colleague or I in the Ministry will deliver it on Wednesday, next week.

**Mr. Deputy Speaker:** Morning or afternoon?

**The Assistant Minister for Forestry and Wildlife** (Mr. Nanok): Morning will be preferable, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Are you comfortable with that Mr. Ethuro?

**Mr. Ethuro:** Mr. Deputy Speaker, Sir, the substantive Minister was here. He even followed with a phone call to me. So, it is within the Ministry. All the Assistant Minister needs to do is to confirm with his boss this afternoon. I am sure he can deliver this Statement even tomorrow. He knows it is his people who are suffering. Surely, he can work faster than next week.

**Mr. Deputy Speaker:** Clearly, this matter has been with the Ministry for more than four months.

**The Assistant Minister for Forestry and Wildlife** (Mr. Nanok): Mr. Deputy Speaker, Sir, Dr. Wekesa is not my boss. He is my colleague. My boss is the President and the Prime Minister. I will communicate this to my colleague to deliver it as soon as this afternoon.

**Mr. Deputy Speaker:** Regarding the Ministerial Statement that was sought from the Ministry of Environment and Mineral Resources, could a senior Minister give an undertaking on the same also because this was also sought many months back? This was regarding the circumstances under which the Lions Eye Hospital plays loud music.

**The Minister of State for Special Programmes** (Ms. Mathenge): Mr. Deputy Speaker, Sir, I will pass the information and he will have the Statement on Thursday, next week.

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

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

**Mr. Deputy Speaker:** What is your point of order, Mr. Ethuro? Mr. Ogindo, is it on the same?

**Mr. Ogindo:** No, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Could you allow us to dispose of one matter at a time?

**Mr. Ethuro:** Mr. Deputy Speaker, Sir, I thank the gracious lady for offering to pass the information, but this institution has structures. We have the Deputy Leader of Government Business. Regarding this matter, to make matters worse, now they are burning even the medical waste within the residential area. It is just getting worse by the day. The Minister has offered to convey the message for next week. What is this obsession with next week by the Front Bench? Could he not pass the message for the answer to come on Thursday this week?

**The Minister of State for Special Programmes** (Ms. Mathenge): Mr. Deputy Speaker, Sir, tomorrow is Thursday. I am not sure whether the Minister has the information. That is why I have given Thursday next week to be on the safe side so that the hon. Member can get a proper Statement.

**Mr. Deputy Speaker:** When? On Tuesday next week?

**The Minister of State for Special Programmes** (Ms. Mathenge): I was thinking Thursday would be an ideal day.

**Mr. Deputy Speaker:** Thursday is far down.

**The Minister of State for Special Programmes** (Ms. Mathenge): Wednesday or Tuesday?

**Mr. Deputy Speaker:** Could you pass on the information that the Chair directs that this Statement be available on Tuesday, next week?

**The Minister of State for Special Programmes** (Ms. Mathenge): Yes, Mr. Deputy Speaker, Sir.

**Mr. Deputy Speaker:** Fair enough!

Mr. Ogindo, what was your point of order?

#### OMISSIONS/ERRORS BY THE GOVERNMENT PRINTER

**Mr. Ogindo:** Mr. Deputy Speaker, Sir, three weeks ago I sought a Ministerial Statement from the Office of the President in connection with the Government Printer on its errors of omission and commissions. The Deputy Leader of Government Business undertook and committed the Executive to deliver that Statement the following week on Tuesday. To date, that Statement has not been delivered. I seek your guidance.

**Mr. Deputy Speaker:** It was directed at what Ministry?

**Mr. Ogindo:** Office of the President.

**Mr. Deputy Speaker:** Hon. Assistant Minister in the Office of the President, a Statement was sought by Mr. Martin Ogindo and the Chair remembers very well – my memory serves me very well in that I was on the Chair – on omissions and errors by the Government Printer. When can you have that Ministerial Statement? You did give an undertaking that you will have it very soon. This is quite a number of weeks now. Could we have it tomorrow?

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Mr. Deputy Speaker, Sir, let me check. If it is ready, I will bring it tomorrow. If it is not ready, I will be comfortable with Wednesday morning, next week.

**Mr. Deputy Speaker:** It is so directed.

**Mr. Ethuro:** On a point of order, Mr. Deputy Speaker, Sir. I am just worried about the process in which Government Ministers find information from Parliament. There is an official copy of the proceedings of this House known as the HANSARD. We seek or get answers from Statements from the Bench on the basis of what is already on record. I am just dissatisfied and I would like you to make a ruling on this one because we are treating the subsequent request as if we are making new requests. The Government must find a way in which they will get the information from Parliament. They have an office of the Leader of Government Business whose job, I thought, was to ensure that Ministers are informed of what Parliament expects of them.

Mr. Deputy Speaker, Sir, help us expedite the business of this House.

**The Assistant Minister, Ministry of State for Provincial Administration and Internal Security** (Mr. Ojode): Mr. Deputy Speaker, Sir, indeed, what Mr. Ethuro is saying is true. We used to get some write ups that this Statement will be ready on such

and such a day once the Minister confirms or gives a date. However, if you look at that time table, there is nothing which says that we were supposed to give a Statement today. So, I think the problem is on the desk here and not from the Ministers.

**Mr. Deputy Speaker:** When a Minister gives an undertaking to deliver a Statement on a given time, there is no responsibility on the Clerks Department or the Chair for that matter to remind you. You have taken that responsibility; you take those requests and go back to your office and inform your officers. You are the link between your office and Parliament. This is a different institution inside the three arms of the Government. You have a responsibility both being in the Executive and also a responsibility to the Back Benchers on the Floor of the House. So, the Chair will not take kindly to such attitudes in future. The moment a direction is given, usually by and large, you are given a date to deliver the Statement on your own convenience. You chose the time. So, once you have chosen the time, it is upon you to record that in your notebook and make sure that you are available with the appropriate undertakings that you made at the appropriate time that you did allocate.

## COMMUNICATION FROM THE CHAIR

### POSTPONEMENT OF MEMBERS' *KAMUKUNJI*

Hon. Members, earlier on, there was a communication that we would have a *Kamukunji* today 17<sup>th</sup> of August, at 12.30 p.m. We have since postponed it. It has been postponed indefinitely, but will be done on notice.

Next Order!

## POINT OF ORDER

### SACKING OF KEBS MANAGING DIRECTOR

**The Minister for Fisheries Development** (Mr. Kingi): On a point of order, Mr. Speaker, Sir. In the month of August, 2011, Mr. Kutuny sought a Ministerial Statement from my Ministry regarding the sacking of the KEBS boss. That statement was supposed to be delivered today. I am ready with the Statement here, but Mr. Kutuny is not here.

**Mr. Deputy Speaker:** Clearly, the Chair is impressed. This is the first time we see a Minister ready on the date when he is supposed to deliver a Statement. But nonetheless, the Chair directs that this same Statement be delivered on Tuesday afternoon, next week. Are you comfortable with that hon. Minister?

**The Minister for Fisheries Development** (Mr. Kingi): Yes, Mr. Deputy Speaker, Sir.

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

## MOTIONS

### ALLOCATION OF FUNDS TO CONSTITUENCIES

THAT, recognizing the disastrous effects of climate change on environments as shown by the devastating effects of the current famine ravaging the country; noting that this has led to acute water shortages in many parts of the country and especially in Northern Kenya and other Arid and Semi Arid Lands; conscious that water is life and essential to human survival; appreciating the government efforts to improve water availability and sanitation in the country; further appreciating that the government has failed to realize its objective of providing water to all through water services boards; aware of the inequalities in the resource mobilization and allocations to districts and constituencies; this House urges the Ministry to allocate 10 per cent of its budget to all constituencies in equal proportion and another 10 per cent to Northern Kenya and ASAL constituencies; and further that constituency will have a Constituency Committee comprising of the following membership; One Representative of the Provincial Administration; Water Engineer responsible for water matters in that Constituency or his designated representative; Five representatives of the Constituency Development Fund Committee and One representative each for youth and women respectively and that the chairmanship of the committee shall be from category three of the membership and category two shall be the secretary of the Committee.

**Mr. Deputy Speaker:** Hon. Members, regarding Order No.8; Mr. Ethuro's Motion with the Ministry of Water and Irrigation, the information the Chair has is that the Minister is not ready to move on with this because there is still some work being done. So, this Order will be postponed and listed on the Order Paper next week.

*(Motion deferred)*

Next Order!

#### REVIVAL OF KENYA FARMERS ASSOCIATION

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

THAT, appreciating the critical role of the Kenya Farmers Association (KFA) once played in the agricultural sector as a reliable supply chain for farm inputs and a marketing conduit for produce; noting with deep concern that the collapse of the 65,000 member KFA has adversely affected the welfare of the Kenyan farmer and stability of the agricultural sector; aware that the said collapse of the KFA was a consequence of mismanagement and abandonment by the Government; acknowledging that the gallant efforts by the farmers to revive the KFA have been hampered by a heavy burden of bad debts accumulated by reason of the said mismanagement and Government inertia; concerned that various creditors, including the National Bank of Kenya, Barclays Bank and workers are moving to auction properties of the KFA, further encumbering the noble revival efforts; convinced that the immediate

resuscitation of the KFA is a matter of strategic national importance; this House urges the Government to immediately avail a grant of Kshs1.3 billion to the KFA to help clear the bad debts and enable it restructure and contribute to the rapid growth of the agricultural sector in line with Vision 2030.

In moving this Motion, let me start with two preliminary points. The first is that a country that cannot feed its people; a country that cannot lay claim to food security and stability of its agricultural sector is a country that can certainly not lay claim to being stable and secure. It is a country whose very sovereignty is in doubt. There is a reason why the agrarian revolution preceded the industrial revolution. The basic reason is that unless you answer the basic need of food, really, you cannot move on to answer the bigger questions of industrialization and progress at a higher level.

Mr. Temporary Deputy Speaker, Sir, therefore, as we talk about Vision 2030, it will remain a mirage; it could as well be revised to Vision 3020 if we do not secure our agricultural sector. Indeed, if it is true, as we have commonly stated in this country that agriculture is the backbone of this country, then this is a backbone that we do not take care of very well. This is a backbone that is under a very serious risk of breaking. It is a backbone which has been placed at risk by its very protector, which is the Government of the Republic.

In my capacity as the Chairman of the Parliamentary Select Committee on the Cost of Living, a Committee that was put in place by this House in its wisdom to look at the factors that have inflamed the cost of living to unprecedented levels, I have had occasion to go around this country. I have traversed the length and breadth of this country. I have talked to ordinary Kenyans and interacted with farmers. I have interacted with farmers in the bread basket zones of the North Rift like Nandi, Uasin Gishu and Trans Nzoia counties, Bungoma, South Rift, Bomet County, Narok and other places, which literally feed this country and in a literal sense, provide the foundation upon which this country has come to be known as an agricultural country, where we pride ourselves that 80 per cent of our economy is virtually driven by the agricultural sector. But I have come across incidences and a manifestation of neglect. I have come across farmers in these various places who feel abandoned, neglected and completely left to the vagaries of the market forces, wheeler dealing and cartels that have infested the agricultural sector, making it virtually impossible for the farmer in this country to thrive.

Therefore, the background that I invite this House to have at the back of its mind as it debates this Motion is an agricultural sector that is basically surviving by the grace of the good Lord, but not because of any deliberate efforts to support the Kenyan farmer, as an individual and also as institutions that support agriculture.

Mr. Temporary Deputy Speaker, Sir, let me move on to the Kenya Farmers Association (KFA). The KFA was founded in 1923. This is not a new institution. It is an institution that predates the independence of this country. This association, which ranks among the very first institutions and the very first conglomeration of efforts to take care of the agricultural sector, was put in place at the very beginning when the foundations of the very notion of a State called Kenya was just taking root.

This association has gone through a lot of metamorphosis since its founding in 1923. For example, in 1984, this association was changed from the KFA to the Kenya Grain Growers Co-operative Union (KGGCU). As it will become manifest during this

discussion, that was the beginning of the troubles of the KFA, namely, the transformation from the KFA to the KGGCU in 1984. In 1996, the members of the KFA, a majority of who are ordinary farmers across the length and the breadth of our nation, resolved that the KFA should revert back from this new creature called the KGGCU. Unfortunately, the only thing that changed was the name which reverted from the KGGCU to KFA, but for all intents and purposes, the legal personality, the structure and the operations remained pretty much what had been conceived at that time as KGGCU.

In 2007, four years ago, farmers succeeded to return the KFA back to its original character when the name and the legal status properly reverted back to KFA under the Companies Act as a limited liability company.

It is also important for the House to note that the KFA is not a small thing. It is a not a village association. This is a massive union of farmers in this country that boasts a membership of 65,500 members. This membership includes farmers, co-operative societies and corporations dealing in farm inputs and other farm related activities. So, we are talking about a body that is not only representative, but representative on a considerably broad scale. It is also important for this House to take note of the critical services that the KFA was founded to provide and has provided in the past, especially at the time when this association was firmly on its feet. These services included acquiring and distributing farm inputs to farmers, especially the members of the association. These inputs included fertilizer, seeds, agro-chemicals and farm machinery.

This association has also provided agency services. It has been a very reliable agent, especially when it comes to handling and distributing aid fertilizer, sugar as well as purchasing and marketing of grains including maize and wheat. The association has also distinguished itself as a provider of technical services to farmers aimed at enhancing good farming practices and methods, control of crop pests and diseases and related services.

Mr. Temporary Deputy Speaker, Sir, another important service that was provided by this association was seasonal credit. The association provided this service in conjunction with the Agricultural Finance Corporation (AFC). The question that has to be asked is: Why would an association of this nature and character, which provided such critical services to a sector that is acknowledged as being the backbone of the economy of this country, collapse? Why would such a body be beset by so many challenges to the extent that today the KFA is more of a shell compared to what it once was in its heydays, in the 1970s and 1980s, when it boasted a membership of thousands, and a network of 67 branches and selling centres across the country? That branch network has since been reduced to only 36 branches and selling centres countrywide to date. What is the reason? The answer to that question is simple.

The KFA was set up to fail. The KFA has been deliberately mismanaged and deliberately pushed to the brink of collapse. This association has suffered Government interference. It is, therefore, proper for us to talk about getting this association back on its feet; the Government should be at the forefront of those revival efforts. It is inexplicable, for instance, why the Government saw it fit in 1984 to transform this association from KFA to KGGCU. This provided a platform for the Government to seriously interfere in the operations of the KFA. Therefore, the woes of this association can be traced to poor management, especially management by persons who were handpicked by the Government at that time; this is interference which has not enabled this association to

conduct its affairs freely and in an environment that would engender proper corporate management.

Mr. Temporary Deputy Speaker, Sir, the result of that unfortunate scenario is that today the KFA is burdened with a debt portfolio of Kshs1.451 billion. The debts include a loan owed to the National Bank of Kenya of Kshs461 million, a loan owed to Barclays Bank of Kenya of Kshs380 million, property rates, which include council rates and rates due to the Commissioner of Lands, ground rates and lease extensions, amounting to Kshs45 million, and a staff indebtedness portfolio of Kshs485 million. Other liabilities include valuation reports, Kshs6.5 million; legal fees and conveyance fees, Kshs18.5 million, and monies owed to suppliers like the Kenya Seed Company, Kshs55 million.

It should be noted for the record that some of these commitments were incurred in circumstances which were not above board, and that this was during the time when the Government had virtually taken over the affairs of the KFA. Therefore, what we are seeking is for the Government to appreciate that the KFA is a critical cog in the agricultural wheel that we are attempting to spin as we race towards Vision 2030. If the Government is serious about strengthening the agricultural sector, then it needs a partner like the KFA, which has a membership of farmers across the length and breadth of this country; it can work hand in glove with the Government to provide critical services like farm inputs, stabilization of pricing of produce as well as provision of agency and technical services to farmers.

Mr. Temporary Deputy Speaker, Sir, it may be argued that attempting to pump this kind of money into the KFA is like a socialist posturing, and that it amounts to the Government throwing money around in a welfare kind of behaviour; but I want to remind the Government of countries across the world rated as superpowers and economic powers, which jealously protect their agricultural sectors. Countries like the USA, the UK, Germany and the Nordic Countries jealously protect their farmers, because they know that if you lose food security, even the notion of being a superpower and an economic power will have no legs to stand on.

Two years ago, during the global economic meltdown, the Obama Administration provided over US\$700 billion in a package which came to be called “Economic Stimulus Programme” in the USA. This programme was intended to inject fresh impetus in the drivers of the American economy. Part of this money was even given to private banks. If the USA, which is the most capitalistic country on earth, can pump US\$700 billion into economic agencies, including private banks, to revive a sector which drives the American economy, why would the Government in Kenya be reluctant to provide a paltry Kshs1.3 billion to revitalise a sector which is rated as the backbone of the economy of this country?

Mr. Temporary Deputy Speaker, Sir, many countries in the world have gone the same way. Examples are countries like Denmark, Sweden, France, Japan, and South American countries like Mexico and Brazil. These are countries which have today managed to raise the profile of the agricultural sector. In those countries, you will see government policies which deliberately protect the farmer. This is not going to be a novel thing in this country. The Government has previously written off debts and provided relief. Several years ago, the Government provided about Kshs4 billion to the coffee subsector to help that subsector get back on its feet. It is gratifying to note that, because



of that Government support, the coffee subsector is certainly back on its feet, as should be the case.

If we can do it for the coffee subsector, we can also do it for the grains and sugar subsectors. Surely, there is no better way of demonstrating that commitment than by strengthening the hand of the premier farmers' association, which has demonstrated for decades, since 1923, when it was founded, that it can provide farm inputs, technical services, and that it can be a champion when it comes to the cost of farm products and, therefore, help in reducing the cost of living.

With those remarks, I beg to move and request hon. Musa Sirma to second the Motion.

**Mr. Sirma:** Mr. Temporary Deputy Speaker, Sir, the Kenya Farmers Association (KFA) is an institution of farmers. As has been moved eloquently and with a lot of information by Mr. Ababu Namwamba, it has its benefits to the cereal sector in this country.

With the wisdom of our colonizers in the 1923, they saw farming and provision of the staple food in this country as a priority. When we got Independence, we were all happy that we had enough food to feed this country. We were also seeing a farmers' association which was an employer. We also saw an association which could bring farmers and their interests together. Down the line, we brought politics into it in 1984 by changing the name from KFA to the Kenya Grain Growers Corporative Union (KGGCU). This was to serve political interest to the detriment of the farmer.

Mr. Temporary Deputy Speaker, Sir, it was a sad day for the farmers of Kenya but we had very little options because of the Government's interference in the running of the farmers' association. This mismanagement by the Government and interventions which must bring back KFA should be the same interventions they used to destroy it. The responsibility lies with the Government and because of the problems we are facing, every time we see the Ministry of State for Special Programmes - the Minister is here - distributing food. There is no food in the country because we have killed the institution which was distributing certified seeds, fertilizer, pesticides and acaricides for livestock farmers in good time. With the network of KFA in this country which still exists, we can never allow it to go to auction as the Government watches as it is sold.

We are talking about a bank loan from the National Bank of Kenya (NBK) of Kshs416 million. We are talking about a bank loan from the Barclays Bank of Kenya of Kshs400 million. We are talking about workers' unpaid salaries of Kshs461 million on which they have taken KFA to court. This is a total of over Kshs1.2 billion.

Mr. Temporary Deputy Speaker, Sir, in 2005, this House passed a Motion and it was resolved that KFA be injected with Kshs1.2 billion. The Government went ahead and wrote off Kshs800 million owed to the National Cereals and Produce Board (NCPB) by KFA. They went ahead and wrote off further amounts from the Cereals and Sugar Finance which is a Government body. The balance of Kshs1.3 billion is what we are looking for. This is what the Government had actually promised to pay.

When we had passed this Motion and accepted that this amount is paid, it came to the Attorney-General. He came up with his weird interpretations to the law by asking who owns KFA. The KFA is owned by Kenyans. The same way we want to inject Kshs45 billion to KenGen which is 30 per cent owned by individuals, why we can we not

give the same to KFA which is owned purely by peasant farmers so that they can move ahead?

Mr. Temporary Deputy Speaker, Sir, the same time we had requested for the write off or injection of Kshs2 billion by the Government in the same Motion, it had a Kshs4 billion write off to the coffee sector. They went ahead and wrote off the debts for the coffee sector because some people in the Treasury believed that this country is owned by coffee farmers yet the cereal farmers are all alive and want to feed this country. We want to tell them that we are equally important and we share this country equally. It is time that we looked at the priorities of this country. The cereals sector is one of them.

I was looking at the time Uchumi Supermarkets was going to collapse. Why did the Attorney-General not ask: Why are we injecting money to Uchumi Supermarkets? Who owns it? It is owned by shareholders! Why are we talking about KFA? Why question KFA and not Uchumi or the Kenya Planters Cooperative Union (KPCU)? This is selective justice. I hope where we are and where we are going, this thing will be put straight so that our farmers can reap the best benefits from this association which has helped farmers all over the country.

Mr. Temporary Deputy Speaker, Sir, we know the potential KFA has. We know that if we inject this money, KFA will be on its feet the following day. It has been a marketing outlet for the Kenya Seed Company. It has been supplying farmers with fertilizer when they usually import. Right now, farmers have to look for unscrupulous dealers of seeds whose source is not known. That is why we have low production of food in this country. We are not guaranteed where the seed is coming from. We do not know where the fertilizer is coming from. However, when we had the KFA, we were certainly sure that whatever we were buying from those outlets was to the best interest of our farmers.

Mr. Temporary Deputy Speaker, Sir, as I conclude, I think it is time that we saw this vehicle which is to provide inputs to farmers revived and brought to operate normally the way it used to. The network and the potential of it being an employer is still there. All the infrastructure in this association exist. What it only needs is money and Government support even if it means injecting professionals into this organization so that it best manages the resources which are given, let it be, so long as we have this association running. We should not ask who owns it. It is owned by Kenyans. It is owned by farmers and also Kenya as a country.

With those remarks, I beg to support.

*(Question proposed)*

**Mr. Ngugi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to support this very important Motion.

From the outset, let me congratulate Mr. Namwamba for bringing this Motion which, in my view, is a pillar of the Vision 2030. We have the three pillars of Vision 2030, but we need to do more in those pillars in order to realise Vision 2030. It is institutions like the Kenya Farmers Association (KFA) that will be able to revive and progress the agricultural sector so that we do not only have food security in this country, but also achieve Vision 2030.

Mr. Temporary Deputy Speaker, Sir, when I was growing up, the KFA was in operation. I remember those days when farmers used to go to the KFA and even get inputs on loan, and once they delivered their crops, the KFA would deduct the cost of the inputs and then pay the farmers what was their profit. We saw the KFA go down in the 1980s and 1990s. This was not an exception. It went down just like the East African Bag and Cordage Company and other institutions went down because the Government interfered with these institutions. The Government had picked people to go not necessarily to loot, but to manage these institutions. Instead of managing them, they looted the institutions and the Government did nothing. As a result, the institutions collapsed and those that did not collapse are on their knees. The KFA is one such institution. If we value agriculture, we must address the supply chain of the inputs, seeds and where farmers can get credit. The KFA is one such institution that should be used by the Government to address this problem.

The KFA collapsed with farmers' and employees' money. It also collapsed with money from suppliers. This money is Kenyans' money. This money made some farmers, suppliers and other people to be poor. So, it is very important that the Government steps in like it did in the coffee industry. It has also stepped in other sectors and there is no reason why it should not step in and bail out the KFA.

Right now, the Government is pumping over Kshs10 billion to alleviate hunger in parts of northern Kenya and Turkana. If the KFA was operational, maybe things would not have been the way they are. What is Kshs1.4 billion compared with the over Kshs10 billion that we are pumping to alleviate the hunger that we experience in this country? It is high time that the Government looked at what is important to move forward. Is it to pump money to alleviate hunger and to try and control floods every year or to put money where it is most needed and where it can have a positive multiplier effect? This is why this Motion is very important.

Mr. Temporary Deputy Speaker, Sir, many Kenyans lost their jobs and livelihood when the KFA collapsed and some could not even educate their kids. If the KFA is revived, it will be an avenue to employ more people. So, this Motion is really timely and it should be supported. It is institutions like these that will help this country move forward.

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

**Dr. Laboso:** Thank you, Mr. Temporary Deputy Speaker, Sir, for also giving me this opportunity to add my voice and support very strongly this important Motion.

Mr. Temporary Deputy Speaker, Sir, as I stand here, I remember the role that the KFA has played in my life. I know that I would not be here today, having gone to school and to the level that I have gone, if it were not for the KFA. It is because of the farm inputs such as fertilizer and other implements that my parents got from the KFA on credit that made me be what I am today. So, this is a very timely Motion and I really hope that the Government will implement it so that we can return the KFA to what it was. Of course, right now, most of the 65,000 members of the KFA are dormant. There is one KFA store in my constituency. Sotik was a very vibrant KFA outlet, but if you go there now, you will find that the products that are sold in that store are even more expensive than what is being sold in the ordinary shops. That is because the KFA has literally collapsed and it no longer plays the role that it used to play. The Government should step in urgently.

Mr. Temporary Deputy Speaker, Sir, we are experiencing food insecurity in the country now. If the KFA was what it was then, getting food and transporting it to where it is required would be a very simple exercise. On the debt portfolio, really, what is Kshs1.4 billion to a Government when we know that high level corruption has made us lose more? What is Kshs1.4 billion for an organization that will change all that happens in the country; that will ensure that we begin to have some faith in the co-operative movement? The only way we can get out of our current situation of floods and famine is by revamping the marketing chain. The KFA, definitely, plays an important role. The KFA will give faith to the farmer.

We know that the farmer is the most disadvantaged at the moment. This is because the cost of inputs is too high and the price of maize is too low. Right now, I believe that the only counties that are harvesting maize in the country are Bomet and Trans Mara. However, we now have the problem of middlemen who have come in, in droves to ensure that those farmers do not get value for their money. This is despite the fact that the National Cereals and Produce Board (NCPB) has opened its stores there.

But farmers are asking: "How do we get to where the stores are?" That is because they do not have money to get to where the stores are. But if we had Kenya Farmers Association (KFA), it could special arrangements for make for them to transport their produce there. They would even bring their own lorries to the areas where the maize is. They would be the ones to do the marketing. That organization is needed like yesterday. This is a timely Motion and I want to support it with all the strength I have.

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

**The Assistant Minister for Youth Affairs and Sports** (Mr. Kabando wa Kabando): Mr. Temporary Deputy Speaker, Sir, I, first, wish to congratulate my brother, Mr. Namwamba, for bringing this Motion. Indeed, if there is a time when we should be making and acting more seriously on issues to do with agriculture, it is now for the very objective of ensuring that we achieve food security.

Just as we speak, it is evident across the country that there is lack of food. But in this same nation, there is abundance of food supply with very many farmers decrying the fact that they do not have the infrastructure to connect their farm produce to areas where it is needed. This is a serious contradiction.

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

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

Madam Temporary Deputy Speaker, if we want to mark our achievements in all areas, then the totality or the total solution in agriculture is very important. It is quite disheartening that while we are doing very major projects towards Vision 2030 in various sectors--- In the energy sector, we have electrification going on everywhere. Infrastructure is quite a success story and many people are very appreciative. In the area of supply of water, at least, we know that there is damming that would be initiated to cater for the pipeline layout for the country. The buildings in the city and suburbs are skyrocketing. We have skyscrapers everywhere in the suburbs of Nairobi and other cities

and towns across the country. But that has not sufficiently provided the evidence of wealth creation because a people whose produce from their farms cannot be marketed and cannot achieve household income would constitute a major drawback. It is the same way we are watching Kinangop and other areas in the western belt producing, but the produce cannot be used effectively to ameliorate the hunger problems in the north. That, again, brings a major drawback. So, we are a nation of contradictions. It is a serious contradiction in the context of Africa that a nation like Malawi, whose people are living in less modern houses than Kenya, and whose cities are many miles away from the cities of Nairobi, Kisumu, Mombasa and others, are exporting their food to the Republic of Kenya, which has a bigger GDP. This is a contradiction whose corrective measure I see in this Motion by Mr. Namwamba. That way, we can provide for our people.

The KFA infrastructure can be utilized maximally to enable producers to market what they have and, therefore, create wealth within their households, and also help the Government, other agencies and people who can afford to buy. In this county, even as we talk about the famine that is going on because of drought--- We saw what happened just two days ago. Perhaps, if there were arrangements for agricultural production in Turkana, the floods that we are seeing now claiming the lives of people - as the drought is also claiming more lives, it would not be such a sharp contradiction. So, when there is rain, there is disaster. When there is drought, there is also disaster. That chain needs to be revived and its revival needs to be considered with restructuring; the way KFA was done. We should appreciate that politics played a huge role in the collapse of KFA. When we are conscious of that fact, then we are able to also lay the framework to produce a solution.

Madam Temporary Deputy Speaker, while debt relief will be important, the infrastructure - and Mr. Namwamba, whom we are very thankful for this Motion - for good governance of KFA is needed. It is bad politics that brought KFA down. Nothing else! It is not because the Government did not have money. The money has always been there. But we know that because the leadership of KFA was effective at that time, and it was not compliant or sycophantic, they were crashed. So, when an individual at KFA was being fought politically in the Rift Valley Province, KFA for the farmers of Kenya also collapsed.

In my constituency, we have initiated very many agri-based projects through the Constituencies Development Fund (CDF). But just two days ago, holding a baraza with my district agricultural officer, we identified a big problem of making the farmers in the remoter parts of that constituency classified as part of the Central Kenya Dry Lands Zone in the acquisition of seeds. As we know, CDF cannot buy seeds for everybody in the households. So, the agribusiness project that we have initiated, we have to go through primary schools for the tissue culture bananas and pineapples we go to public land, for green houses, we have to go through secondary schools and polytechnics. Why this is marked as a success is because the private farms, which constitute 90 per cent of the farmland in major parts of this country - the arable part of this country - can only be utilized positively if those farmers in the individual and private capacities are assisted. That can happen with an institution like KFA. Therefore, this Motion should not be even persuading us to do this. We, on the side of the Government, should be saying that it is a bonus that an hon. Member has come forward to lay this Motion on the Floor of the House so that the right thing can be done.

Farm inputs like fertilizers, hoes and even jembes are a major challenge to farmers, particularly the young people who we are training through the new curriculum in the youth polytechnics in all the constituencies. Just about three or four months ago, we rolled out 2,000 instructors through my Ministry. In each of the polytechnics where we are sending instructors, we are sending one on agriculture. What are they supposed to teach? They are supposed to teach modern farming skills. They are supposed to teach beyond production; the marketing of the farm products. They are supposed to teach about maximization of the small scale farming because of the reduced sizes of land, particularly in many parts of this country, where small-scale farming dominates. But we all appreciate that the youth do not have the requisite start-up capital and they can easily be connected with an infrastructure like KFA, so that they are offered grants, soft loans or loans through the Agricultural Finance Corporation (AFC), which works in conjunction with KFA. This way, we will be creating a huge segment of the population - through the youth - who are going to be productive after engaging in modern agricultural technology. They will grow passion fruits. They will do as they are doing in my constituency. You saw that in the *Sunday Nation*; the celebration about the tissue culture banana and the upgrade breed of pineapples. Therefore, this Motion comes in handy. I urge my colleagues, on the Government side, to support it very strongly because as Parliament, the obligation to intervene is evident through the introduction of the same.

I strongly support.

**Mr. Onyancha:** Thank you, Madam Temporary Deputy Speaker. I stand to support this very important Motion. I would like to thank hon. Ababu Namwamba for introducing it today. As I speak, there is a crisis in parts of the country regarding food. I feel sad that part of the reason for that is our own making. It is related to corruption and lack of good seed.

Madam Temporary Deputy Speaker, I am sure that you had time to read the newspaper yesterday which indicated that maize production in Kuria, Kisii and in your own constituency, Sotik, was very poor because of bad seed. This just underscores the importance of Kenya Farmers Association (KFA). During KFA's time, seed was properly certified and assistance given to the farmer through extension officers, cheap inputs as well through credit supply. I remember when the late hon. Chesire was in charge of KFA how he supported farming in this country and how successful it was. I attribute part of the problems we have today to the failure of this very important institution which, had it been left to work on its own, would probably have contributed to a successful ending to problems we have with regard to food security as well as management.

As I support this Motion, I must say here and now, that we are trying to build strong institutions so as to bring our country to a level of production, especially in food that can feed, not only our people but supply our neighbours and use it as an export product. It is my hope that with the injection of Kshs1.3 billion, which, indeed, is quite small, this institution will rise and give us support as Kenyans and as farmers to ensure that we are self-sufficient.

In supporting it as well, Madam Temporary Deputy Speaker, I must stress the need for good governance, prudent financial management and accountability and transparency. We do not want to give this money to an institution that is in a state of collapse with poor governance capacity. We would like to see some of the money being used to enhance capacity and management so that it is put into good use. As much as I do

not want to introduce an amendment to the Motion to increase the sum, I think we can save part of this funding if it comes through and use it as working capital and also for capacity building.

The National Bank of Kenya (NBK) is one of the institutions that are owed money by the KFA. First of all, we know that the NBK has been experiencing similar problems and has been a subject of bail out. I hope that it will be upon them to request for payment on the principal sum and write off the interest because that will leave some funding for KFA to do other projects and have working capital to ensure efficiency.

With regard to the Barclays Bank, Madam Temporary Deputy Speaker, with regard to the loan of Kshs380 million, I am informed it includes interests. I would urge that in giving this funding, the new management of the KFA institution will negotiate with the Barclays Bank so that they could write off the interest. In case, they do not, at least, they would ensure that the *in duplum* rule works so that they do not pay more than double the amount of funding that they initially received.

I cannot stress, enough, the importance of this institution with regard to the support it can give farmers in respect of prices stabilization, credit supply, marketing and all that. I feel, very strongly, that it is time that this Motion was passed and the Government gives it funding immediately.

With those few remarks, I beg to support.

**The Assistant Minister for Energy** (Mr. Magerer): Thank you, Madam Temporary Deputy Speaker, for giving me this opportunity to straightaway support and thank my friend, who is also my twin brother from Budalangi for thinking about our farmers. It needs to be understood that the assets of Kenyan Farmers Association belong to the farmers. They are spread around the country. The last time I checked, they were in about 60 sites across the country and strategically situated to benefit our farmers.

Prior to coming to Parliament, I had an opportunity to work in the agro-chemical industry. I want to say that the Kenya Farmers Association, through their outlet, was a major player in distributing farm inputs to our farmers. It is very sad that to this moment, we have let this association go down. It was an association of farmers who came together so that they could have the benefit of economies of scale. That was the main reason why this association was created. Somewhere along the way, the focus was lost and, as usual, the cartels of this country invaded the system and the goodwill of farmers.

If you look at anywhere we have a railway line in the country today, you will not miss a KFA godown. In many places, they have been disused. Some of them have been grabbed. Some are being threatened with being sold. Even where I come from, Kipkelion, where we have about three of four godowns, you will see that some of them have been turned into church houses. This is very saddening because the initial dream of the founder members of KFA was that they pull together so that they reap the benefits of being together. In requesting the Government to bail out the KFA, we are not saying this out of nowhere. We know that this Government has bailed out other organizations which have benefited mwanachi. I had an opportunity today to read an article in one of our local dailies which stated clearly, that the Government has waived Kshs3.8 billion for coffee farmers in terms of accrued loans. The Mover of this Motion is only asking for Kshs1.3 billion or thereabouts to bail out an institution that can work for our farmers.

Madam Temporary Deputy Speaker, there was an earlier attempt by some cartels to acquire this institution under the name of Kenya Farmers Agency (KFA). They were

very crafty to ensure that the acronym KFA remained intact, but it had changed in terms of the ownership and interests that it was going to serve. I want to thank the gallant farmers of this country – those who have fought hard to ensure that KFA does not go into the wrong hands. This is the time when we need people who understand the problems that the farmers go through. I do not want to specifically mention individuals, but I know the current Managing Director and the Board of KFA have worked tirelessly to ensure that the Government gives it an ear. I know that based on its strategic situation of property, the KFA can become a strategic partner to our Strategic Grain Reserve (SGR). I thank the Minister of State for Special Programmes because she is seated here in the House.

Madam Temporary Deputy Speaker, we have had issues with where we could store some of the produce. We have had issues with how much exactly we had in the SGR as pertains to the hunger situation in this country. Allow me to request the Minister to take advantage of the KFA properties that are situated across the country and enter into a pact to be able to give these farmers an opportunity to sell and store their crop for purposes of helping other Kenyans in areas where they are unable to produce food.

Madam Temporary Deputy Speaker, as I said before, godowns are linked to our railway lines. The recent plans by the Government to revitalize the railway sector is really going to benefit the farmers of this country, more so those under the renewed KFA. The KFA has some shares in the Kenya Seed Company (KSC). These shares were meant to cushion the farmer in terms of seed availability because of the interest that the KFA had in seed production. So, salvaging the KFA would enable this institution to be able to guarantee its members availability of seeds at the time when these seeds are required. It is important for this Government to know that the efforts of farmers need to be supplemented. It is important for this Government to know that it is always not good to support one sector and ignore another sector. I come from one of the areas that, of course, do very well in cereal production. The KFA has a very important role that it can play within this area. You know the KSC, KFA and National Cereals and Produce Board (NCPB) are institutions that are meant to support the cereal grower. Sometimes the NCPB purchases maize for SGR; we have not been able to realize a good price simply because farmers have no ability to store maize, and have no drying facilities. Therefore, the cartels come in and are able to buy our produce even for much lower prices than the market price only to avail the same at an opportune time when they can make a big profit.

So, Madam Temporary Deputy Speaker, without talking too much, I want to say that this Motion can have really a big impact on our farmers, and it should be supported. I want to thank hon. Namwamba again for bringing it to the Floor of the House.

Thank you very much and I support.

**Ms. Chepchumba:** Thank you, Madam Temporary Deputy Speaker, for giving me an opportunity to contribute to this Motion. I want to thank hon. Namwamba for bringing this Motion; I want to say it is timely. Indeed, the KFA, with a membership of 65,000 farmers, is an organization that used to really help Kenyan farmers in many ways. The Kenyan farmers used to market their produce through this giant organization. The KFA also used to provide affordable inputs such as fertilizers, seeds and even agrochemicals to Kenyan farmers. Its collapse has made the Kenyan farmers to live in abject poverty. You can see poverty on the faces of the farmers, because they get inputs at high prices. They can no longer do business in this sector.



I want to say that I was personally a beneficiary of this institution when it used to operate. I went to school together with my siblings. We were so many and many farmers would afford to take their children to school. As I speak, there is no farmer who can even buy a new tractor; but in the 1980s when this institution was operational, farmers used to afford tractors but they can no longer do so now because of the collapse of this institution.

Madam Temporary Deputy Speaker, why did this institution collapse? It was because of poor governance and politics. I want to say that the Government should come in and salvage the farmers of this nation. We would not be talking about food shortage in the country if this institution was operational. The Mover of this Motion is asking the Government to just inject Kshs1.4 billion, so that the KFA can be operational and we will not be talking about food shortage in this country. Other farmers have been cushioned. For example Kshs4 billion was waived for the coffee farmers. I know that if we want to take this country forward, this is an institution that will put food on the table of the hungry Kenyans. We are just asking the Government to inject the Kshs1.4 billion and this institution will be on its feet and will save many farmers.

Madam Temporary Deputy Speaker, it is not only farmers who were affected by the collapse of this institution. We also had employees who were working for the KFA. When this institution went down, we had employees who could not get their benefits. Their livelihoods depended on this institution. They are also living in a terrible condition. They cannot even afford to take their children to school.

Who is trading on behalf of the farmers as we speak? We have brokers and businessmen who do not know how to even grow maize. They cannot feel the pain maize and wheat farmers are growing through in this country. If we can have this institution in place, we shall have the farmers producing enough food to feed Kenyans. I want to say that this Motion has come at an appropriate time and the Government should assist this institution by injecting the Kshs1.4 billion and there will be no food shortage and starvation.

I want to support this Motion.

**The Minister of State for Special Programmes** (Ms. Mathenge): Madam Temporary Deputy Speaker, I wish to support this Motion. I also wish to commend hon. Namwamba. Indeed, he has been with me as we were distributing food to the hungry. He has seen how undignified it is. So, one of the things that as we revive KFA we should do is giving dignity back to our Kenyan people. We can only do that by making sure that they produce enough food both for themselves and for their children.

As I speak, we are currently feeding 4.4 million Kenyans in Kenya. Looking at the weather patterns of this country, I can assure you that next year, we may double that figure. We can only overcome this by reviving an institution such as KFA which was charged with distributing seeds, fertilizer, tractors and other equipment to the farmers. If we can do so, then I am sure that we can also be a brain basket of East Africa.

Indeed, Madam Temporary Speaker, if we are going to buy maize from Malawi, what is it that we are lacking in Kenya? I think we just lack policies, management and encouragement to our people. However, I want to request hon. Namwamba even as we revive KFA, that we also restructure the National Cereals and Produce Board (NCPB), because I think the NCPB is overwhelmed by what it can do currently. Today, I know farmers in Bomet and South Rift are harvesting. But is the NCPB in a position to mop up

all the maize that is there? We need to look at that. Even as we speak of maize, we also need to look at other areas, which are not cereal growing areas such as the area of Kinangop where we have potatoes and cabbage. As we revise the KFA, can we also look at factories such as the ones in Naivasha that used to dry vegetables, so that the areas that grow vegetables can also be revived and revamped so that people who grow vegetables can also be beneficiaries to this?

The National Bank of Kenya is owed Kshs461 million by the KFA. This is a Government bank. This debt can easily be written off because of the benefits that it will give to the Kenyan people. Again, I want to say that the input, fertilizer and seeds that are distributed by the NCPB, maybe there are weaknesses with our network. That is why we are not able to reach every corner of this country. I think if we had two lead agencies such as the NCPB and the KFA working together, we would be able to reach a bigger outreach than we are doing now using just the NCPB. Perhaps, even as we revive the KFA, I would also suggest that the agency system that has been introduced to the NCPB can also be introduced into the KFA, so that when you take your produce to them, you are paid at a later date.

Madam Temporary Deputy Speaker, we have revived very many institutions. We revived the KCC which is now the new KCC. We know right now, we have surplus milk that the farmers are able to produce. So, I am almost sure that if KFA is revived, then the issue of giving food to Kenyans is really going to be a thing of the past.

Once again, I would like to commend the hon. Namwamba for bringing this Motion. Please, let us look at the restructuring of the NCPB, so that we can have the two working together. I believe they will be compatible to each other and they will play a big role in Kenya. I believe although we keep on saying that 80 per cent of Kenya is not arable, I believe there is part of Kenya that cannot be arable. A big chunk of Israel is covered with rocks. However, we go there to beg for food. How many rocks do we have in Kenya? I believe with an institution such as KFA, we can produce enough food to feed every Kenyan and give dignity to our fellow Kenyans.

With those few remarks, I beg to support.

**Mr. Chepkitony:** Thank you, Madam Temporary Deputy Speaker, for giving me an opportunity to support this very important Motion. I would like to thank Mr. Namwamba for bringing this Motion. This Motion is very important because it is touching on one of the very important organizations which was supporting agriculture in this country.

Kenya was on the right track in the early days of Independence until some few years ago when we allowed our agricultural institutions to go down or collapse or be mismanaged. The KFA was one of the very important bodies and it still is. It is strategically located. It is situated all over the country. It supports all forms of agriculture from cereals, coffee, tea and dairy, among others.

It used to distribute farm inputs, chemicals, feeds, seeds, farm machinery, spare parts and so forth. So, it was handling everything to do with agriculture. Nowadays, it is impossible to get some of these things because it has collapsed. I would like to urge the Ministry of Agriculture in particular to assist the farmers by reviving this body. It will solve the problem of fertilizer which the Government is now buying and distributing to farmers. Instead KFA used to import fertilizer from manufacturers directly at a cheaper price. They would sell to farmers at a fair price because it was a farmer's body. It was not

established to exploit the farmers. So, we need to revive it instead of the Government using this money to import fertilizer and then distribute it to farmers. This money should instead be used to revive KFA which will later import fertilizer and sell it to farmers at a reasonable price.

The KFA also used to play an important role in the marketing of produce, particularly cereals. It has godowns all over the country and the capacity to store various crops in their stores. It also used to sell potato seeds and many other types of seeds.

Also, KFA used to distribute dairy equipment and animal feeds. So, this is an all round body which needs to be restructured. The Government was able to revive KCC. Why not revive this very important organization?

Madam Temporary Deputy Speaker, I know there are a few directors who claim to be the owners of KFA. Let them declare their interest. The Government should note their interests and proceed ahead the way it did with the KCC. I believe their interest can be catered for. The body should be restructured financially and new management put in place to manage this body afresh. The current directors can be rewarded or compensated. They can only be compensated if they can prove those claims.

So, I would like to urge the Government to give its political support and goodwill. This is the only way farmers of this country can be supported. This avenue will assist to stabilize agriculture and food production in this country. This the only way we can support other forms of agriculture which forms the backbone of our economy.

So, again, I would like to commend Mr. Namwamba for bringing this Motion. I hope the Ministry will support it and take action immediately because it is long overdue.

We have other bodies like the AFC which also need to be revived and strengthened. These bodies are not strong at the moment because they lack enough capital. If we start with the KFA, we will be doing something very important for the farmers of this country. We will alleviate food shortage in this country and farmers will produce more than they have been doing in the recent past.

With those few remarks, I support the Motion.

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Minister, allow hon. Kigen and hon. Chanzu to each make a few remarks and then you can give the Government response.

**Mr. Kigen:** Madam Temporary Deputy Speaker, first and foremost, I stand to support this Motion. I wish to start by thanking the Mover for coming up with this Motion to persuade the House to look into the affairs of the KFA.

The KFA is a household name even today when it is on its knees. It is a body that was started by farmers way back in 1900. The farmers who started this body had a great vision of making farming a business. They started by setting up KFA depots all the way from Mombasa to the western part of Kenya and everywhere else in this country that was agriculturally viable. The KFA, with that kind of network, worked with sister bodies like the KCC, the NCPB and at that time, farming was the only venture to go into.

Mr. Temporary Deputy Speaker, Sir, for many years, if you consider the 70s, 80s and up to the 90s, we used to pride that the backbone of our economy was agriculture. The materials that went into farming were quality materials sourced from factories by the KFA. For a long time, we did not hear of what we hear these days; that farm inputs like seeds are manufactured behind shops. Since the collapse of the KFA, we have heard strange stories.

Today, we are asking the Ministry to assist the KFA by finding a way of getting rid of the Kshs1.4 billion that has got the KFA on its knees. The Minister of State for Special Programmes has said that they are feeding over 10 per cent of our population every month. The food that we are using to feed our people is obtained from other countries, mainly abroad. We are spending all our time and money sourcing for food from farmers abroad instead of reviving bodies like the KFA which, indeed, have the expertise. If you look at the people who were employed by the KFA right from the ones that are today demanding for their pay and those who are still in employment, these are people who had the farming know-how. They are so useful that if we made use of them, I can assure you that this country is going to produce sufficient food for our people. The story of going out in search of food will be a story of the past.

The Government of Kenya is going out there to build huge dams which are intended to provide water for irrigation. For that reason, we should revive these bodies like the KFA so that with their expertise, they can go out there and get the right inputs for our farmers. I want to thank my colleague for bringing this Motion before the House so that we can urge the Government to provide funds to this body which is very important.

Madam Temporary Deputy Speaker, the Minister for Agriculture should have come in earlier to address this concern and assist this body to come back to life. We are told that what is required is only Kshs1.3 billion. If you consider how much we spend on buying food, you will realise that this is just a small fraction of the amount of money that we set aside in every financial year for purchase of food. If we put that money into the KFA, this body will come back to life and will help us a lot.

With those remarks, I beg to support and urge the Government to take a quick step to assist this body.

**Mr. Chanzu:** Madam Temporary Deputy Speaker, I also rise to support this Motion, which I consider very important. I would like to congratulate the Mover for thinking about the welfare and plight of Kenyans. This way, we should be able to address quite a number of basic problems facing Kenyans.

The amount of money that this Motion is seeking is Kshs1.3 billion. The other day, a few organisations came together to raise money for famine ravaged Kenyans. They had set a target of Kshs500 million but, in less than ten days, they surpassed that target and raised their target to Kshs1 billion. When I look at the issue of drought in this country, I imagine of a situation where the Government could just do something small.

Madam Temporary Deputy Speaker, on Saturday, we were in Samburu, where I found that people were very committed. Even when it comes to *Harambee* activities and so on, there is a lot of commitment from Kenyans. However, the Government is not doing its part. I am sure that if you provide a little water in those areas, people will produce a lot. You can see this from the kind of commitment and determination they have.

Therefore, there is a lot of soul searching we have to do. We should ask ourselves questions. These kind of institutions were created by the colonialists. This one was done in 1923. The white man was able to sustain it up to 1963. From 1963, when we said that we were able to run our own affairs, things started going wrong. It is pathetic.

Madam Temporary Deputy Speaker, one of the problems is political infighting. We heard very clearly that the person who was running the KFA up to the time when it was dismantled was a Kenyan. Due to political infighting, this organisation had to be sacrificed, so that it could be proved that the person had not succeeded, which was very

unfortunate. So, we have learnt a big lesson. We are lucky that we now have a new Constitution in place. It gives a lot of room for us to make amends on what had gone wrong. Our dignity, as a country, is also at stake. There was somebody from Tanzania who said that Tanzanians did not need to go to London because when they are in Nairobi, they felt that they were in a big city like London. However, when you go just beyond Tom Mboya Street, the situation is terrible. You cannot move freely because we are not able to manage our own affairs. So, our dignity and pride are going to depend on us being self-sufficient in producing food for ourselves. There is no point of saying that we have a mini London here and then the next day we are going out there, begging for food for Kenyans.

Madam Temporary Deputy Speaker, we are saying that in order for us to achieve Vision 2030, we have to industrialise. We must be able to produce our own food.

**The Temporary Deputy Speaker** (Dr. Laboso): Please, summarise, hon. Chanzu, because we must conclude debate on this Motion.

**Mr. Chanzu:** Madam Temporary Deputy Speaker, we must be able to produce enough food for ourselves. We should be able to produce enough food because we have a large pool of people who are well trained. We have many universities in the country. We can train our own people to do all this. So, we have the human capacity, and we need to put it into proper use in order for us to do this. We are asking the Government to release of Kshs1.3 billion to the KFA.

With those few remarks, I beg to support.

**The Temporary Deputy Speaker** (Dr. Laboso): I will call upon the Minister to respond.

**The Assistant Minister for Agriculture** (Mr. Mbiuki): Madam Temporary Deputy Speaker, I wish to respond. On the very outset, I wish to support this Motion.

I want to take this opportunity to thank Mr. Ababu Namwamba for spearheading the revival of most our agricultural sector and even bringing this particular Motion, which I believe has been long overdue.

Madam Temporary Deputy Speaker, we all know the history of this country and we all know where we are coming from. We have seen so many players within the agricultural sector being run down from KFA which we are addressing today, KCC, Pyrethrum Board of Kenya (PBK), the Kenya Planters Cooperative Union (KPC), the Kenya Seed Company and others. Most of these players in the agricultural sector have been looted. The Ministry of Agriculture has all the will and intention to ensure that all these firms are revitalized and revived so that at the end of the day, the farmer can benefit.

Madam Temporary Deputy Speaker, KFA was formed way back in 1923 as we have been told here. I remember when I was growing up, there was the Kenya Grain Growers Cooperative Union (KGGCU) which was the precursor of KFA. It was extremely very vibrant. In each and every market centre, we had a branch of the KGGCU. It was serving our farmers very well. It was a channel of distributing all the farm inputs from fertilizer, pesticides and seeds. It was playing a very big role in the agricultural sector. Unfortunately, for the last 20 years or so, the rain started beating us and we started seeing the collapse of most of our firms managed by the Government before. There was rampant grabbing of land and stealing of property. As I am talking now, the ownership of KPA is in serious question. The Ministry of Agriculture has all the

intentions to ensure that, first and foremost, we sort out the ownership of KFA so that all the problems KFA is facing can be sorted out once and for all.

Of late, the Government has been channeling all its efforts through NCPB. I want to agree with the Minister of State for Special Programmes that NCPB does not have the capacity to distribute some of these inputs. They have no specialized personnel to ensure that all the farm inputs reach farmers in an easier way as KFA was doing before.

“Mr. Temporary Deputy Speaker”, Sir, therefore, the Government is supporting the revival of KFA. However, first, we want to sort out the issue of ownership once and for all like we did with the Kenya Seed Company and KCC.

“Mr. Temporary Deputy Speaker”, Sir, as I am talking now, we are coming up with a Cabinet Memo---

**Mr. James Maina Kamau:** On a point of order, Madam Temporary Deputy Speaker. You have noted that the speaker is referring to you as Mr. Temporary Deputy Speaker, Sir. He has been doing this so many times. I do not know why. He can face you and see for himself that you are Madam Temporary Deputy Speaker and not Mr. Temporary Deputy Speaker.

**The Assistant Minister for Agriculture (Mr. Mbiuki):** Madam Temporary Deputy Speaker, I wish to be corrected.

What I wanted to say is that the Government has all the intentions; we are coming up with a Cabinet Memo which can clear us so that we can raise Kshs1.3 billion which can be used to sort all the debts owed to the National Bank of Kenya (NBK), the Barclays Bank of Kenya and the other creditors. By the time we are reviving this important firm, all the important debts can be sorted out once and for all. We have the support of the entire Cabinet and we shall be presenting our Paper to the Treasury for concurrence and subsequently within the next few days, we will be able to table it in the Cabinet for adoption. Later on, we are going to get the money so that these debts can be cleared once and for all.

We have been having serious problems of corporate governance; mismanagement in most of our State bodies. It is through this new Constitution that at the end of the day, this mismanagement can be corrected once and for all so that the country moves forward.

Madam Temporary Deputy Speaker, I wish to support this Motion and thank Mr. Namwamba for going out of his way. We know that he is also doing something about the Agricultural Finance Corporation (AFC) and immediately the Motion comes here, we are also prepared to support it and ensure that the Government allocates for the write-off of all these loans so that the farmers can, at least, have a smile in their faces.

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

**The Temporary Deputy Speaker (Dr. Laboso):** It is now time for the Mover to reply.

**Mr. Namwamba:** Madam Temporary Deputy Speaker, in just one sentence, I really want to appreciate the position that has been taken by the Government. I want to thank the Minister of State for Special Programmes, whom I confirm that we have been with to Turkana. I appreciate the great work that she is doing. I really want to appreciate the very progressive position that the Assistant Minister for Agriculture has taken. I only want to remind him that this is a matter that cannot wait one day longer. If this House goes ahead to approve this Motion, I do hope that the Ministry will move with great speed or expedition to make this a reality so that we can get the KFA back on its feet.

Madam Temporary Deputy Speaker, I just want to say that if the KFA gets back on its feet and the agricultural sector in this country is fully supported to live up to its potential, the issue of famine and cost of living going up will become quite manageable. That is once this country is able to feed its people. Our race towards Vision 2030, therefore, will be something we can truly look forward to.

Madam Temporary Deputy Speaker, I beg to move.

*(Question put and agreed to)*

### **ADJOURNMENT**

**The Temporary Deputy Speaker** (Dr. Laboso): Hon. Members, that concludes the business on the Order Paper. Therefore, the House stands adjourned until this afternoon at 2.30 p.m.

The House rose at 12.30 p.m.