

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 25th July, 2013

The House met at 2.30 p.m.

[The Speaker (Hon. Muturi) in the Chair]

PRAYERS

PETITION

TARMACKING OF MALINDI-SALA GATE ROAD

Hon. Muzee: Hon. Deputy Speaker, I have a petition on behalf of the people of Malindi Constituency. It is about the tarmacking of Malindi-Sala Gate Road, C103 which starts from Malindi to Ganda, Kakuyuni, Jilore, Kakoneni, Chakama and then Sala Gate.

We, the undersigned citizens of Kenya who are residents of Malindi Constituency, draw the attention of the House to the following: That one of the key pillars to achieving the Vision 2030 is wildlife and tourism. It has been earmarked as a key player in the economic development of this great country. Aware that key roads to tourist sites are critical for tourism and wildlife development and need to be prioritized for tarmacking, the Malindi-Lango Baya-Chakama-Sala Gate Road, C103 is a key road that is convenient for tourists from hotels in major resource towns in North Coast to access Tsavo East National Park.

This road is part of a regional highway linking Malindi, Voi, Bachuma, Taita Taveta into Tanzania and finally Burundi thus holding the potential of boosting regional trade and integration across East African States. The road serves many resort centres including Malindi Town, Watamu, Mambui and Kilifi Town. Cumulatively the centres receive about 500 tourists a year. These tourists prefer to visit Tsavo East National Park during the day and return to their hotels in the evening.

That, agriculture is a key component to the achievement of the Vision 2030 and that the Malindi-Lango Baya-Chakama-Sala Gate Road passes through rich cultural lands on the banks of rivers Galana and Sabaki and it is instructive that the same road links Kulalu Ranch which has been earmarked by the Ministry of Agriculture for a massive irrigation project as part of the one million acre irrigation drive to promote food security in the country and fight poverty and boost the economic well being of the people living in the area and the nation at large.

That, while the Malindi Airport has been improved to facilitate air travel by tourists to this tourist region, the major road leading to Tsavo East National Park has not been tarmacked to facilitate easy and safe movement into and out of the park.

That, tourists accessing the Tsavo East National Park spend almost three to four hours on the bumpy and muddy earth road with their vehicles often getting stuck in muddy and slippery sections of the road in a journey that should ideally take only one hour. This has led to bad reviews in our tourism products and also tourists in other competing markets.

That, the road is in a poor state and it is important to know that currently tourists visiting the towns mentioned have contributed immensely to the national revenue. In fact, from the industry analysts I am advised that Kilifi County alone contributes over Kshs1.5 billion to the national Exchequer. This contribution can only be sustained and increased as part of the Vision 2030 projections, if the road is tarmacked as a matter of priority.

That, tarmacking this road and providing a faster route to the park will greatly boost tourism numbers and immensely contribute towards the Jubilee Government's target of three million tourists a year in our great country. I dare say that if we make this kind of improvement, that vision alone can contribute over one million tourists in a year effectively contributing to one-third of the Jubilee Government's target.

Therefore, your humble petitioners pray that the Government through the Kenya National Highways Authority and with the support of the Departmental Committee on Transport, Public works and Housing, Treasury and Ministry in charge of tourism help upgrade the road to bitumen standards as a matter of priority.

And your petitioners will ever priority.

Hon. Deputy Speaker, if you allow me, I would like to ask hon. Members to contribute. I thank you.

Hon. Deputy Speaker: Hon. Kazungu Muzee you will just refer it to the relevant Departmental Committee as is the practice. Hon. Members will make their contribution and then we will wait for the Committee's Report.

Hon. Oyugi, you have a different petition.

REDUCTION AND INCREMENT OF RECURRENT/ DEVELOPMENT EXPENDITURE

Hon. Oyugi: Thank you, hon. Deputy Speaker. I rise to make a presentation on behalf of 38 Kenyans, most of them from the civil society. The petition is about the reduction of the Government Recurrent Expenditure and an increment of Developmental Expenditure. It states as follows:-

We, the undersigned citizens of the Republic of Kenya and taxpayers, draw the attention of the House to the following:-

That, Kenya's annual Recurrent Expenditure has passed Kshs1 trillion mark and it is unsustainable;

That, given the Constitution of Kenya 2010 created a bicameral Parliament, county governments and constitutional commissions thus increasing Recurrent Expenditure;

That, a bloated public sector wage bill which has been going on over the years enjoys the lion's share of the national Budget, there is need to carry out job evaluation exercise in the public to gauge, regularize and rationalize pay levels and to eliminate duplication and wastage; and

That, it is discriminatory to pay senior Government executive rates of developed nations while the rest earn minimal wages by international standards. There is an urgent need to devise ways of bringing down the Recurrent Expenditure and increasing Development Expenditure.

Therefore, your humble petitioners pray that the National Assembly of the Republic of Kenya audits the entire public service and State offices both at the county and national levels, including all commissions as well. Evaluate the public sector jobs and eliminate any duplications and unnecessary posts, especially now that the national Government is trimmed from 48 to 18

Ministries and eliminate wastage, mismanagement and inefficiency in the Government at both the national and county levels.

Your petitioners will ever pray.

Thank you, hon. Deputy Speaker. I wish to lay this on the Table for your direction. I appreciate.

(Hon. Oyugi laid the document on the Table)

Hon. Deputy Speaker: Okay. I can see hon. Members here, but according to the ones that have been approved, those are the petitions that we had. So let us move to the next Order.

PAPERS LAID

The following Papers were laid on the Table:-

The Report of the Auditor-General on the Financial Statements of the Coffee Development Fund for the year ended 30th June, 2010 and the certificate by the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Coffee Development Fund for the year ended 30th June, 2011 and the certificate by the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the National Industrial Training Authority for the year ended 30th June, 2012 the certificate by the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Victoria South Water Services for the year ended 30th June, 2012 and the certificate by the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Amatsi Water Services Company for the year ended 30th June, 2012 and the certificate by the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Maralal Water and Sanitation Company for the year ended 30th June 2012 and the certificate by the Auditor-General therein.

(By hon. A.B. Duale)

The Departmental Committee on Finance, Planning and Trade Report on Value Added Tax Bill, 2013

(By hon. Langat)

Hon. Deputy Speaker: Any other Papers being laid? Next Order!

REQUESTS FOR STATEMENTS

POLICY ON EMPLOYMENT OF NON-KENYANS

Hon. (Ms.) F.I. Ali: Thank you hon. Deputy Speaker. I beg to read my Statement.

Pursuant to Standing Order No. 44 (2) (c), I wish to request for a Statement from the Chairperson of the Committee on Labour and Social Welfare regarding access to employment by the youth in the country as stipulated in Article of 55 (c) of the Constitution and other Kenyans.

Hon. Deputy Speaker, Kenya is experiencing a high unemployment rate which currently stands at over 57 per cent. However, there are thousands of non-Kenyans working in this country, thus denying our qualified youth and other citizens opportunities to secure employment.

Hon. Deputy Speaker, in the Statement of the Chairperson of the Committee, he should state how many non-Kenyans are formally and informally employed in Kenya, including the segregated data on their names, institutions or organizations, professions, including those working in the United Nations bodies, international organizations and the private sector.

The Chairperson should also give any measures or policies in place to ensure that non-Kenyans are not offered employment in areas where there is available local expert.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Chanzu, you have two short requests. But before you request for a Statement, let the Chairperson of the Committee on Labour and Social Welfare show an indication when that Statement can be given. Hold on for the Chairperson or Vice-Chair of that Committee. Is there any hon. Member of that Committee in the House?

Leader of Majority Party, you can hold brief for the Committee on Labour and Social Welfare.

Hon. A.B. Duale: Hon. Deputy Speaker, let it be two weeks from today.

STATUS OF AVIATION INDUSTRY IN KENYA

Hon. Chanzu: Hon. Deputy Speaker, pursuant to Standing Order 44 (2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Transport, Public Works and Housing regarding the status of the aviation industry in Kenya. The Chairperson should look into and clarify the following:-

(i) Measures the Kenya Airways has put in place to improve e-services for both local and international flights.

(ii) Measures being taken by the Government to encourage healthy competition on local routes and enhance efficiency.

Hon. Deputy Speaker, the second one which is also brief is as follows---

Maybe, do you want an indication when the first one will be ready?

Hon. Deputy Speaker: Just give the two. Are they for different committees?

Hon. Chanzu: Yes, they are for different committees?

Hon. Deputy Speaker: The first one is for which committee?

Hon. Chanzu: It is for the Departmental Committee on Transport, Public Works and Housing.

Hon. Deputy Speaker: Is the Chair of the Departmental Committee on Transport, Public Works and Housing in the House? Okay. The Deputy is here.

Hon. (Eng.) Mahamud: Hon. Deputy Speaker, I would like to confirm that the Committee will be able to give a report in three weeks' time.

Hon. Deputy Speaker: Hon. Fatuma Ibrahim, you are on a point of order.

Hon. (Ms.) F.I. Ali: Hon. Deputy Speaker, I do not know whether the Leader of Majority Party remembers that we will be away on recess. I do not know whether the House will be recalled in the next two weeks.

Hon. Deputy Speaker: Hon. Fatuma, do not anticipate debate until that matter of recess comes before the House. That is a future debate. So, two weeks it shall be as the Leader of Majority Party has told you. So, hon. Chanzu, can you give your second Statement? You have been told that your first one will be ready in the next three weeks.

Hon. Chanzu: Thank you, Deputy Speaker. I think three weeks is okay because I would like this Statement to be as comprehensive as possible. So, that is okay.

CORRUPTION IN RECRUITMENT OF KENYA FOREST SERVICE OFFICERS

Hon. Chanzu: Hon. Deputy Speaker, pursuant to Standing Order No.44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Environment and Natural Resources regarding the rampant corrupt practices that have marred the recruitment of Kenya Forest Service (KFS) officers at various stations in the country. I would like the Chairperson to look into and clarify the following:-

(i) The steps being taken to curb the use of fake certificates during the recruitment of KFS officers.

(ii) The steps being taken to regularise the recruitment process at KFS offices across the country.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Thank you, hon. Chanzu. Is the Chair of the Departmental Committee on Environment and Natural Resources in the House or the deputy? The Chair is there. When can it be ready? Hon. Amina Abdalla, I do not see you on the system. Amina, do you have your card with you? You can use someone else's, please.

Hon. (Ms.) Abdalla: Yes, hon. Deputy Speaker. We will give him that report in four weeks.

Hon. Deputy Speaker: Okay. We have to appreciate that. As we said, we are the Legislature. We have to go to the Executive to get the responses. So, it is good to get a comprehensive report. Okay. That does it. Hon. Janet Nangabo.

Hon. Chanzu: On a point of order, hon. Deputy Speaker. The recruitment is going on now and there are a lot of bad things that are happening. I do not know whether one month is okay because by that time, the recruitment will be over.

Hon. Deputy Speaker: So, what is your proposal hon. Chanzu?

Hon. Chanzu: Hon. Deputy Speaker, this one is a straightforward one and it should just take one week. I am prepared to also avail some leading information towards this so that they can investigate the marred recruitment all over the country. I have some of the tips.

Hon. Deputy Speaker: You want the Committee to go all over the country in one week and then make a response?

Hon. Chanzu: They can talk to the officers in the field.

Hon. Deputy Speaker: Chair. Even hon. Cheboi's card is not working, hon. Amina. I do not see you at all on the screen. Maybe, you can come to the Dispatch Box, please. There is low volume. Can the technical team please allow this House to continue? We cannot hear hon. Amina.

Hon. (Ms.) Abdalla: Thank you, hon. Deputy Speaker. If the recruitment is going on, that would amount to interference with the Executive work. My suggestion would be for the Member to bring the information and for us to investigate something that is concluded rather than to appear to be interfering with the Executive function.

Hon. Deputy Speaker: Okay. So, let it be four weeks. Avail the information you have hon. Member to the Committee and let them take the necessary steps. You will get your report and they can even call you when they have the session with the Cabinet Secretary. Hon. Janet Wanyama.

NON-PAYMENT OF DUES FOR RETRENCHED STAFF OF TELKOM KENYA

Hon. (Ms.) Wanyama: Thank you, hon. Deputy Speaker. Pursuant to Standing Order No.44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Energy, Communication and Information regarding non-payment of dues for staff retrenched from Telkom Kenya in the year 2007/2008.

Hon. Deputy Speaker, the Chairperson should clarify the following:-

- (i) The reason behind non-payment of final dues owed to the retrenched workers.
- (ii) The amount outstanding so far.
- (iii) Provide the details per individual on the Provident Fund and outstanding funds including the National Social Security Fund (NSSF) contributions and indicate when the money will be paid.

Hon. Deputy Speaker: Thank you, hon. (Ms.) Wanyama. Chairperson of the Departmental Committee on Energy, Communication and Information, take the Floor.

Hon. Kamau: Thank you, hon. Deputy Speaker. That Statement is quite enormous. I request that we be given four weeks so that we can give a comprehensive answer that is devoid of any other issues.

Hon. Deputy Speaker: For weeks, Janet, it shall be.

Hon. (Ms.) Wanyama: It is okay, hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Rachel Shebesh.

REASONS FOR ONGOING DEMOLITIONS IN LANG'ATA CONSTITUENCY

Hon. (Ms.) Shebesh: Thank you, hon. Deputy Speaker. Pursuant to Standing Order No.44 (2) (c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Transport, Public Works and Housing regarding the ongoing demolitions in Lang'ata.

Hon. Deputy Speaker, in the last Parliament, a resolution was passed in this House that no demolitions should take place until legislation has been put in place to regulate the process. In his Statement, the Chairperson should:-

- (i) Clarify why those demolitions are still going on despite the resolution passed by this House in the 10th Parliament.
- (ii) State the compensation that is going to be accorded to the families holding valid titles whose houses have been demolished.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. Njoroge, what is happening?

Hon. J.N. Chege: Hon. Deputy Speaker, I want to add something to be included in the same Statement. What action will be taken against the officers who have been doing that? That is because very many people in Nairobi constituencies where we stay have lost a lot of money because of negligence by the Ministry of Lands? There are officers who are responsible for that and we want to know the action that will be taken against them.

Hon. Deputy Speaker: I can see further interventions from hon. Wanjohi, hon. Ngunjiri and hon. (Ms.) Sunjeev. Is it on the same Statement? Do you want more information on the Statement?

Hon. Wanjohi: Hon. Deputy Speaker, further to the Statement, we would like to know from the Chair how many other demolition notices have been given to Nairobi residents who have built on road reserves. We would also like to know who ordered the demolitions. Could we get an assurance that no further demolitions will happen within this period when this matter is being interrogated by the Departmental Committee on Transport, Public Works and Housing?

Hon. Ngunjiri: Hon. Deputy Speaker, still on the same Statement, I want to know why the security agencies are used to oversee illegal demolitions in Nairobi.

Hon. (Ms.) Sunjeev: Thank you, hon. Deputy Speaker. I would like to thank hon. Shebesh for requesting for this Statement when citizens are being mistreated. Obviously, this is not right. However, can the Chairperson further clarify the policy of the Government on demolitions in the country? Secondly, we would like to know the amount of money, so far, that has been given as compensation on demolitions in Nairobi constituencies.

Hon. Ng'ongo: On a point of order, hon. Deputy Speaker. I know this is an old tradition. However, Hon. Shebesh rose on Standing Order No.44 (2) (c) which says:-

“A Member may request for a Statement from the Committee Chairperson relating to matters under the mandate of the Committee and the Speaker may either appoint a day for the Statement or direct that the Statement be issued on the same day.”

The reason why statements, before they are asked in the House, go through the Speaker's Office is for them to be approved. When you allow other Members to rise in the House and add onto a Statement that has been sought by a Member, are the additional or supplementary issues being raised asked through the Speaker's Office? I think we need to clarify this matter because if you have to ask supplementary issues, you should wait for the Statement to be brought. Otherwise, you are like bringing a Statement to the House through the backdoor without passing through the Speaker's Office. So, I request that you find all the other Statements sought after that of hon. (Ms.) Shebesh out of order. Therefore, they should be expunged from the proceedings of the House.

Hon. Sumra: Thank you very much. I think we, Members of Parliament from Nairobi, should get together. Hon. Shebesh has brought out a very important issue and we should involve the Senator and the Governor. People are getting---

Hon. Deputy Speaker: Do not begin debate because we are not debating.

Hon. Sumra: Hon. Deputy Speaker, Sir, I am not debating. This Statement is very urgent because people have lost millions of shillings. Today, houses in Lang'ata are being demolished and tomorrow, our slums will be demolished. We want this Parliament, as a matter of urgency, to stop any demolitions because people are taking advantage---

Hon. Deputy Speaker: Hon. Sumra, I thought you wanted that included in the Statement. We are not asking you to debate now---

Hon. Sumra: I am not debating, hon. Deputy Speaker. I want all Members of Parliament from Nairobi to wake up and come together.

(Laughter)

That is because they are sleeping. Thank you, hon. Shebesh. We are together.

Hon. Deputy Speaker: Of course, hon. Shebesh's Statement that was approved will be issued. The others are clarifications that hon. Members would like the Minister to look into as they bring the Statement to the House. Hon. Ng'ongo, you are quite right. Further clarifications will be sought at the time that the Statement is being made. Can we move on to the next Statement? The Chair of that Departmental Committee has seen how much heat this Statement has enlisted from Members of Parliament from Nairobi and others. How quickly can we get this Statement?

Hon. (Eng.) Mahamud: Hon. Deputy Speaker, we will give that Statement in two weeks' time. We will convey the message to the Ministry concerned that the current demolitions must stop. You know it is the Executive that is doing that job. However, this Committee will be able to bring the report in two week's time.

KILLING OF MOTORCYCLE TAXI OPERATORS

Hon. Waweru: Thank you, hon. Deputy Speaker. Pursuant to Standing Order No.44(2)(c), I wish to request for a Statement from the Chairperson of the Departmental Committee on Administration and National Security regarding rampant killing of motorcycle taxi operators across the country.

There have been numerous reported killings of motorcycle taxi operators and subsequent theft of motorbikes across the country, thus causing huge protests by the operators for improved surveillance and security.

In the Statement, I would like the Chairperson to inquire into and state the measures the Government has put in place to curb insecurity targeting motorcycle operators across the country. Two, whether investigations to establish the people or cartels behind the coordinated killings have been done and the culprits brought to book. Three, the Government's plan to streamline and bring order to the rapidly growing motorcycle taxi sector.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: The Chair of that Committee, when can we get the Statement?

Hon. Abongotum: Hon. Deputy Speaker, we hope to bring the reply in the next two weeks.

ALLEGED GO-SLOW IN THE POLICE FORCE

Hon. Gitari: Thank you, hon. Deputy Speaker. Pursuant to Standing Order No.44 (2) (c), I wish to request for a Statement from the Chairman of the Departmental Committee on Administration and National Security on the following allegations:-

- (i) That, the police force in the entire country is on a go-slow.
- (ii) That, the Nairobi police radio communication was jammed from Friday, 19th July this year.
- (iii) That, in case of an emergency, police are unable to seek for back-up due to the jammed communication.

In his response, the Chairman should clarify whether those allegations are true. If they are true, what should be done urgently to avert what I can call a strike?

Hon. Abongotum: Hon. Deputy Speaker, those are very weighty allegations. I would like to bring this Statement on Thursday, next week. In addition to that, it must be clarified that disciplined forces are not required to go or to have a strike for that matter. They can only picket in terms of what the Constitution provides. It is illegal for any disciplined officer to actually go on strike. That is the position and we will give more clarification on Thursday, next week.

Hon. Gitari: Hon. Deputy Speaker, I want to ask my friend, the Chairman, whether he can bring it on Tuesday. We have seen what happened to our colleague, hon. Kiuna, when he was in the constituency. So, those things are happening. It is a matter of urgency. I know that he is capable of bringing it on Tuesday.

Hon. Deputy Speaker: Committee Chairperson, you can see the urgency of the matter. Please, try to find out more about the issue, even before you bring the Statement on the question of the jammed systems.

Hon. Abongotum: Hon. Deputy Speaker, I agree. We will fast-track the process and give the Statement on Tuesday afternoon.

Hon Deputy Speaker: Okay, Tuesday next week, it shall be. Let us have the last request by hon. Z.K. Cheruiyot.

RESETTLEMENT OF MAU EVICTEES

Hon. Cheruiyot: Hon. Deputy Speaker, I rise to seek a Ministerial Statement from the Cabinet Secretary for Interior and Coordination of National Government on the plight of the people of Mau Forest.

Hon. Deputy Speaker: Hon. Cheruiyot, the Cabinet Secretaries are not in the House.

Hon. Cheruiyot: Hon. Deputy Speaker, I am sorry. I am seeking the Statement from the Chairperson of the Committee, hon. Kamama.

In the Statement, the Chairman should clarify the following:-

- (a) When the Government will honour its commitment to settle the people of Mau;
- (b) What measures have been instituted to remove all caveats on the titles of land parcels in South-West Mau;
- (c) What the Government has done to mitigate the suffering of the evictees as arrangements are made to settle them down; and,
- (d) What resources have been budgeted for the purpose of resettlement and the welfare of those people?

Hon. Deputy Speaker, this is a very serious matter. Therefore, we require the information as soon as possible.

Hon. Deputy Speaker: Committee Chairperson, could you make an undertaking?

Hon. Abongotum: Hon. Deputy Speaker, this matter requires thorough investigations and consultations. So, I hope to bring the Statement in two weeks' time.

Hon. Deputy Speaker: Okay, in two weeks' time it shall be. Hon. Members, that is the end of requests for Statements. We now want responses to Statement requests by Committee Chairpersons, starting with hon. Jamlek Kamau.

STATEMENTS

Hon. Kamau: Hon. Deputy Speaker, the Member for Changamwe, hon. Shimbwa Omar Mwinyi, had requested for a Statement from the Departmental Committee on Energy, Communication and Information on the Kenya Petroleum Refinery (KPR) Limited. The Committee was able to interact with the Ministry of Energy and Petroleum, who issued a Statement. Due to time constraint, I will just read out the Statement request, give a quick brief of the Statement and then I will table it.

In the first part of his request, the hon. Member sought to know why the provision of Gazette Notice No.24 of 10th April, 2012, which requires the oil marketing companies to buy their quotas from the company is not fully implemented. The Ministry responded as follows:-

The interim products stake agreement expired on 31st December, 2012. However, this interim arrangement was extended to 30th June, 2013, through consensus with the oil marketing companies and officially communicated by the Ministry. In line with Legal Notice No.24 of 10th April, 2012, the oil marketing companies that default on lifting of oil products should not be allowed to participate as buyers and sellers or the equivalent of their haulage would be deducted. Several oil marketing companies defaulted on lifting of processed petroleum products, contrary to the legal requirements.

The oil companies are Kenol/Kobil, Trojan International, Astro Ken Supplies, Engen Kenya Limited, Intoil, Jaguar, KENCO, Runaway Traders, Topaz and Al Lyell. Those companies were not allowed to participate as buyers and sellers and have been referred to the Energy Regulatory Commission (ERC) for de-licensing as per the law.

Hon. Deputy Speaker, in the second part of the request, the hon. Member sought to know the measures that the Government will put in place to ensure that the facility is upgraded. The Ministry responds as follows:-

The Ministry has written to Essar – the company that is in partnership with the Government – for a shareholders meeting and agree on the upgrade road map in line with the Cabinet Paper that was approved.

In the third part of his request, the hon. Member sought to know why the Government was not protecting investors and local industries, to which the Ministry responds that the Government endeavours to protect investors, including protection of the future operation of KPR.

Hon. Deputy Speaker, in his third part of the request, the hon. Member asked why Government officials were in a hurry to announce the closure of the oil refinery facility in the Press, even before the matter was discussed in Parliament. The Ministry responds that issues pertaining to closure of KPR have been pushed to the Press by some oil marketing companies, who have ill-intentions of closing down the oil refinery.

The hon. Member, further, asked why the Government had not given its stand on what the oil marketing companies had stated in the Press, that they would not pick products from the oil refinery facility as from 1st July, 2013, to which the Ministry replies as follows:-

The Government has officially directed all the oil marketing companies to lift refined products from the refinery, failure to which they will have their licences withdrawn. Those who had defaulted had been referred to the ERC for them to take appropriate action after expiry of the show cause letter period. Arrangements are being made to extend the current products take-off agreements until the upgrade programme is completed.

The Ministry has agreed with the oil marketing companies to extend the KPR interim product agreement for a duration of two years, within which the Government will have agreed

with Essar on the upgrade of the refinery. It is expected that by the time of the expiry of the interim period, the upgrade programme will have commenced.

Hon. Deputy Speaker, my Committee, on its own Motion, decided to carry out further investigations into this matter. In the next two or three weeks, the Committee will bring a Motion, with its Report and recommendations to the House, for debate. I chair the investigation.

SUSPENSION OF KENYA PIPELINE COMPANY MANAGING DIRECTOR

Hon. Kamau: Hon. Deputy Speaker, the next Statement request was made by the Member for Mwatate on the issue of suspension of Mr. Selest Kilinda, the Managing Director, Kenya Pipeline Company. The hon. Member raised several questions. The first question seeks clarification as to whether the allegations surrounding the suspension of Selest Kilinda are accurate. The response from the Ministry is that the allegations surrounding the Managing Director's suspension are, indeed, factual and accurate.

In the second part of his request, the hon. Member sought to know whether the Government could consider reinstating the suspended Managing Director, if the allegations surrounding his suspension are not accurate, and the Ministry replies as follows:-

Upon receipt of the Efficiency Monitoring Unit (EMU) Report, the KPC Board of Directors held a board meeting to review the recommendations contained in the report and consider specific sections of the law cited. Those were Section 46 of the Anti-Corruption and Economic Crimes Act and Section 17 of the Public Officer Ethics Act. In light of the findings touching on Mr. Selest Kilinda, the board was of the view that he had, indeed, infringed on the above laws. Mr. Kilinda was, therefore, invited to comment on the issues touching on him, as contained in the EMU Report. He gave his own submissions, in which he admitted that KPC had employed his brother and two sisters, but argued that they were junior employees who have no consequence.

Taking into account the oral submissions by Mr. Kilinda, the board resolved to recommend to the Cabinet Secretary, Ministry of Energy and Petroleum, the termination of Mr. Selest Kilinda's contract as Managing Director of KPC. Consequently, the contract of Mr. Selest Kilinda, as the Managing Director of KPC, has been terminated.

Hon. Deputy Speaker, on the same matter, upon further investigations by the Committee, we found that there are, indeed, some other officers who had done things similar to what Mr. Kilinda did. Therefore, the Committee instituted investigations and the Report will be coming to this House with recommendations, for debate.

I, hereby, table the document.

(Hon. Kamau laid the document on the Table)

Hon Deputy Speaker: Hon. Members I do not know if any of you wants further clarification from the Chair. Do we wait for his Report so that you can seek clarifications?

Hon. (Ms.) Shebesh: Hon. Deputy Speaker, I am glad that the Chair has said that the Committee on its Motion has investigated this matter further. I would like the Committee to clarify whether the contact between the Government and Essar is really adding value to the refurbishment and revitalization of the KPR. The Committee could recommend that when we sign deals that do not work, instead of extending time, say by two years to determine whether it

is working, we could re-tender or revert the services to the Government instead of surrendering the tasks to a company that is not performing.

Hon. Kombe: Hon. Deputy Speaker, mine is about the Speaker's *Kamkunji*. Probably the Chair will advise me on what has become of the Speaker's *Kamkunji* which is a forum where we normally raise our issues and get solutions there and then. This is in line with what is happening. We have stayed for quite a long time without some funds in our pockets. Even now the weekend is here and we do not know how we are going to spend it. The Speaker's *Kamkunji* could have given us some solutions.

(Applause)

Hon. Deputy Speaker: We were in the process of discussing a Statement that had been given, but your comments are noted. Any matter on the Statement that has been given by the Chairman of the Departmental Committee on Energy, Communication and Information?

Hon. Linturi: Hon. Deputy Speaker, I only want to tell him to hold his horses because I know of a meeting that will be held on 1st where we are supposed to look at this matter. So, somebody must be working on that.

Hon. A.B. Duale: Hon. Deputy Speaker, I want the Committee in its Report to highlight the transactions and ownership of the KPR. Let it tell us how much was paid for the land and for the equipment. Was the deal above board? Could the Committee say whether KPR was sold for US\$5 million? Who are the people who were involved in this in the previous Government?

Hon. Kamau: Hon. Deputy Speaker, one of the things that made us look into this matter seriously was that we wanted to understand the agreement between the Government and Essar. Indeed, we asked for that agreement to be availed to the Committee. I am happy to report that it is in our custody now.

Hon. Shebesh wanted to know whether this agreement adds value. Hon. A.B. Duale seeks to know whether US\$5 million was paid to this particular institution. We have interrogated these people, but we have not gone to the KPR. That amount of money was not paid. What was paid is US\$3 million. This was for a facility which stands on 300 acres in Mombasa and has equipment worth many billions.

Hon. A.B. Duale: On a point of order, hon. Deputy Speaker. I do not want the Chairman to anticipate the Report. I want to appear before that Committee as the hon. Member for Garissa Town and provide information that the Kenya Government sold that plant for US\$5 million, and now he is talking of US\$3 million. I want the Chairman to give me the opportunity to appear before them, so that I can raise issues and present documents to show that the land itself is not worth US\$3 million.

Hon. Deputy Speaker: Hon. Jamleck Kamau, since you will be coming up with a report let us not do this now. We will allocate time, so that you get to respond to hon. Members' questions.

Hon. Kamau: I agree with you, hon. Deputy Speaker. I was only responding to his question on the US\$5 million. It is actually US\$3 million. These are the issues that we will capture in the Report. Hon. A.B. Duale and any other Member are invited to appear before the Committee, so that we do a good job for this country.

Hon. Wakhungu: Hon. Deputy Speaker I rise to seek your guidance regarding a Statement that I sought from the Chairman of the Departmental Committee on Justice and Legal Affairs, hon. Chepkong'a, regarding the release of official results of the last general elections by

the Independent Electoral and Boundaries Commission (IEBC) and subsequent disbursement of the political parties funds in line with the Political Parties Act.

I have had a chance to appear before that Committee but so far nothing meaningful has come out. When you request a Statement on the Floor of the House it does not belong to you; rather, it belongs to the entire House. This is a matter of national importance. Some of the political parties are not functioning because of lack of funds. Because he is here, could we get clarification on the issues I raised?

Hon. Chepkong'a: Hon. Deputy Speaker, I am of course perturbed. I am in total shock due to the request by hon. Chris Wamalwa Wakhungu. I think we had prayers in the morning; they prayed for him and he was going to be okay.

We invited hon. Chris Wamalwa and he came to the meeting. To the best of my recollection he was completely satisfied with the response that he received from the IEBC. I thought we had rested our case. However, if he still feels that we must do a formal Statement I undertake to present a formal response on Tuesday.

Hon. Deputy Speaker: Hon. Chris Wamalwa, we do not want to go back there now. You will wait for your Statement and seek clarifications at that time.

I can see hon. Rege seeking an intervention.

Hon. (Eng.) Rege: I am sorry, hon. Deputy Speaker. I think my turn elapsed because I wanted to give information to hon. A.B. Duale, that part of the research that we are doing on KPR belongs to the Public Investments Committee (PIC). The way the investment was handled in this country should really be a matter of the PIC.

Hon. A.B. Duale: Hon. Deputy Speaker, I do not know why the Member for Karachuonyo is getting agitated. Parliament and its Committees have the right under the Constitution to investigate everything, whether it is investment or not. The Committee on Energy, Communication and Information must go to the bottom of how the KPR was sold to that Indian company. That is the mandate of Parliament. In fact, a Member can even constitute a select committee to investigate the issue.

Hon. Deputy Speaker: As I said, we had already passed that stage. It is only that he got his intervention late. We will discuss that when we get to that stage.

Yes, hon. Kamama.

INSECURITY IN MWALA CONSTITUENCY

Hon. Abongotum: Hon. Deputy Speaker, the hon. Vincent Musau, Member of Parliament for Mwala Constituency, requested a Statement on the rampant insecurity in his constituency.

The hon. Member sought the clarification on the measures that the Government is taking to avert more crime in the area and information on the number of vehicles that have been assigned to the police officers for patrol work in that particular constituency.

Finally, he sought to be informed of the preventive measures that the Government has put in place to avert crime as opposed to taking action after the crime.

Hon. Deputy Speaker, the Government is not aware of rampant insecurity in Mwala Constituency. However, there are isolated incidents which have been reported to the police and I want to quote a few of them.

On 11th July, 2013, at about 12.03 a.m. at Kivindani Market, a gang of four people, armed with crude weapons attacked two watchmen guarding a shop belonging to Mr. Michael Kingi.

The guards were overpowered and they escaped after which the gangsters broke into the shop and stole one dozen Kiwi shoe polish valued at Kshs1, 980 and cash of Kshs3, 000.

The same gang proceeded to a nearby bar which they broke into and stole the following items worth Kshs22, 980: One Keg beer pump and one 6kg gas cylinder, 10 packets of cigarettes and assorted beers. Nobody was injured during the incident which was reported at Masii Police Station, vide OB number 2/11/07/2013. The scene was visited and investigations were commenced immediately vide Masii Police Station file No.44/141/2013.

Although the case is pending under investigations, there are crucial leads which are being followed with the aim of identifying the perpetrators and bringing them to justice.

Hon. Deputy Speaker, on 16th July, 2013, at about 6.35 a.m, two bars, namely Muo and Hunters within Yathui Market were invaded by unknown gangsters armed with crude weapons. During the incident, two guards were seriously injured, namely Messrs Samuel ole Dai and Mutuku Suvai. Unfortunately, the later succumbed to injuries while undergoing treatment.

The following items were stolen; one black and white television valued at Kshs7,000, 10 packets of sportsman cigarettes valued at Kshs1,000 and assorted beers whose value is not yet ascertained. The incident was reported to Masii Police Station vide OB No.8/15/07/2013 and the scene was visited and investigations commenced immediately by Masii Police Station Crime File No.44B/149/2013. Although no one has been arrested, police are following crucial leads which may lead to the arrest of the suspects.

Hon. Deputy Speaker, on the measures that the Government has taken, I want to report that an Officer Commanding Police Division (OCPD) was recently posted to the area and has embarked on a sensitization drive. *Barazas* have been organized by Sub-county Commissioners, where members of the public have been given mobile phone numbers of police commanders for easy of reporting crime.

Hon. Deputy Speaker: Hon. Abongotum, are you not able to summarize a bit of this information?

Hon. Abongotum: Further, the following measures have also been put in place: Plans are underway to upgrade all the police posts in the district to police stations. Patrols involving all the security agencies have been enhanced, community policing campaigns have been intensified and profiling of known criminals in the area has also been done.

Three vehicles have been assigned to this particular constituency. There is a vehicle GK A204Y, a Toyota Land Cruiser and GK 154A, a Hyundai for the CID officer. There is also GK B1249, a Grand Tiger attached to the OCPD, Mwala.

Hon. Deputy Speaker, the district is served by Masii Police Station and three police posts, those are: Makutano, Wamunyu and Muthetheni. I will be ready to clarify on any other issue by the hon. Member.

Hon. Deputy Speaker: Thank you. Patrick Wangamati, do you want clarification on what he has read?

Hon. Wangamati: Yes. Thank you.

Hon. Deputy Speaker: Let us first give the opportunity to the person who asked for the Statement. Just hold on Patrick. Vincent Musau first.

Hon. Musau: Thank you, hon. Deputy Speaker. Let me take this earliest opportunity to first thank hon. Abongotum for managing to bring this Statement within a short time. However, it was not very clear, especially on the part of the patrol vehicles assigned to my constituency. I want to confirm that as at the date when we had these two security guards injured and killed, we only had two vehicles in the constituency. Out of the three vehicles that hon. Abongotum is

talking about, I would like him to clarify if they include the vehicles assigned to the District Commissioner (DC) and the District Officer (DO). I would not term a vehicle assigned to the DC as a patrol vehicle.

Hon. Deputy Speaker, Mwala Constituency has a population of approximately 250,000 people. He said that an OCPD has been posted there. It is actually a good thing if it is true that OCPD has been posted to Mwala, though he is not yet a resident in our constituency. The problem here is that a whole constituency with about 250,000 residents neither has OCPD nor a single patrol vehicle.

Hon. Deputy Speaker, Mwala for a long time has been---

Hon. Deputy Speaker: Hon. Musau, you are supposed to be seeking a clarification. You are now giving us---

Hon. Musau: Thank you, hon. Deputy Speaker. Let me just seek clarification. Do the three vehicles include the two vehicles assigned to the DC and DO? Could the Chair of the Committee confirm if the entire Mwala Constituency has only one DO? Could he also confirm that none of the towns in my constituency has any security lights? Will he also confirm---

Hon. Deputy Speaker: Those are enough! You cannot have too many clarifications. Just give the other hon. Members an opportunity---

Hon. Musau: Just the last one, hon. Deputy Speaker. Of all the patrol bases in my constituency, Mumbuni Patrol Base actually reports to Yatta District and is commanded from there.

In Kathama, we are actually---

Hon. Deputy Speaker: Hon. Musau, honestly, you are now trying to bring in debate. Please understand that there are many districts which were also formed, and have not been attended to. It is not only your constituency alone. I am sure other hon. Members also have similar issues, because of the fact that there are new districts.

Hon. Musau: Mwala District is not really new. It is actually one of the largest districts in Kenya, and for so many years it has had no OCPD.

Hon. Deputy Speaker: I think that point has been captured by the hon. Chair.

Hon. Wangamati, I hope it is on the Statement given. Where is he now? Is he not here anymore? Hon. Wangamati, now you are going to forego your turn.

Hon. Antony Kimaru, was the clarification on the Statement given?

Hon. Kimaru: Hon. Deputy Speaker, it was earlier and I was not captured. So, maybe I will get another chance.

Hon. Deputy Speaker: Okay. Maybe you will give somebody else a chance. Clarification on the Statement given, hon. Pkosing.

Hon. Losiakou: Yes, Hon. Deputy Speaker. I am seeking a clarification from the Chair and first of all, I would like to thank him for that response. However, I think we are creating a precedent and I am getting worried that police cars distribution is likely to be uneven in all the constituencies. So, I would like to ask him, through you, to tell the House the mode of distribution of police cars in all the constituencies. I want to put this on record, that Pokot South Constituency, which is a district, has no OCPD, car and everything. So, I am wondering about the mode of distribution. Does it depend on who asks a question or who is close to the police? So, could he table in the House the mode of distribution of police cars in the whole country?

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Okay. That is a clarification.

Yes, Cyprian Iringo.

Hon. Iringo: Thank you, hon. Deputy Speaker. When the Chair was responding he started by saying in his opening remarks that the Government is not aware of any crimes in that particular area, but he went ahead to cite several incidents of crime. So, I am confused. If there were no crimes then why did the Government carry out some arrests and vehicles were posted to some other places? So, in essence if there were no crimes then what was he citing as crimes and who stole cigarettes and biscuits? Were these not crimes?

(Laughter)

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Yes, Hon. John Serut.

Hon. Serut: Thank you, hon. Deputy Speaker. I do not know what the Chairman is referring to as “not rampant crime”. By his Statement, a number of crimes have taken place in Mwala, but that is not what I wanted to say. What I wanted to ask the Chairman of the Departmental Committee on Administration and National Security is: Can he table the list of all the vehicles to the various constituencies? What is increasing the rate of crime is lack of prompt response by police officers in most of the constituencies?

Hon. Deputy Speaker: Okay. Yes, hon. Paul Arati.

Hon. Simba: Thank you, hon. Deputy Speaker. I do not think that the Chairperson is serious. He should actually resign because we believe strongly that not even outside Nairobi itself, where he stays, that is in my constituency--- He may be arrested tomorrow because he has done a wrong thing and be taken to Kileleshwa Police Station or Muthangari Police Station which do not have vehicles. I would really want to ask the Chairperson to explain to us what method he, or the Cabinet Secretary, are using in distribution of vehicles? I know very well that the vehicles which he has been given---

Hon. Deputy Speaker: Hon. Arati, this is a clarification.

Hon. Simba: That is exactly what I am seeking, hon. Deputy Speaker.

Hon. Deputy Speaker: You even want the Chair to be the Executive? He is not the Executive. Is he executing? Please, remember the question of criteria has already been asked.

Hon. Simba: Indeed, hon. Deputy Speaker. What I am looking for is that in this city, which we are staying in - I believe most of the Member are staying in it - crime is on the rise. Investors are running away. I would want to know what plans the Jubilee Government, which claims to be digital has for Nairobians, as far as solving the insecurity problem is concerned.

Hon. Deputy Speaker: Now, there is a long list. Please do not repeat yourselves, ladies and gentlemen.

Yes, Grace Kiptui. Grace is not there? I have already given a chance to Grace. Did you want a clarification on this Statement?

Hon. (Ms.) Kiptui: No, hon. Deputy Speaker. It was a request for a Statement but I have withdrawn it for now.

Hon. (Eng.) Gumbo: On a point of order, hon. Deputy Speaker.

Hon. Deputy Speaker: Who is talking of a point of order? I am seeing a point of order from hon. Eng. Gumbo.

Hon. (Eng.) Gumbo: Yes, hon. Deputy Speaker. I know it is Statement Time, and I do not wish to start debate on this matter but the truth of the matter is that security is a grave issue. The truth is - I can demonstrate this within one minute - that as we speak today many parts of

Kenya are death and torture areas. There is no question about it and, therefore, when the Chairman of the Departmental Committee on Administration and National Security says he is not aware--- If you indulge me just for one minute, I can demonstrate that in the last 14 days there have been serious crimes in virtually every county in Kenya.

Hon. Deputy Speaker, with your indulgence on 1st of July, and these are matters which are in the public domain, gangsters ambushed a *matatu* and sprayed it with bullets in Laikipia County. On the same day, you are aware that Ugandan security forces attacked our security forces in Migingo. That is a security issue. On the 2nd of July, again in Laikipia County--- These are matters which are in the public domain. Therefore, the reason why I am standing on this point of order is that these matters have been coming---

An hon Member: On a point of order, hon. Deputy Speaker.

Hon. (Eng.) Gumbo: I am on a point of order please and I want the Member rising on a point of order to know that when there is no security in the country not even us Members are safe. Even Members of this House have been victims of the security situation. I am aware of Members who have been attacked and, therefore, when we are discussing these matters they are not political. We are just talking about matters which are in the public domain.

I can go on and on about almost every county. Last week, when the substantive Speaker was on that Chair I said that we have the Cabinet Secretary in charge of security. When we ask the Chair of the Committee to talk on matters of security, honestly we are not being fair to him. He is a Member of Parliament. His job is to legislate. His job is representation; his job is to oversee the Executive. It is affecting every part of the country. Why do we not, as a House, engage directly with the people we pay to look after our security? We have Mr. Iringo who is paid to look after our security. We have Mr. ole Lenku whom we approved in this House to look after our security. We have the Inspector-General (IG). We come here and we are given answers which are basically hot air. They go nowhere and no commitment can be given because we are not paid to give commitments. Therefore, I am telling the House that security does not select. Security does not discriminate. When security fails, we are all victims. It is not political. It affects our children. It affects us personally. We cannot even come to this Assembly when our security is not guaranteed.

Hon. Deputy Speaker, therefore, I am pleading with you as the Chair that, please, let us have a forum where we can engage directly. Through my own sources, in this month alone I have over 20 serious security incidents in the country, which I would like to put directly to the Cabinet Secretary in charge of security. Thank you, hon. Deputy Speaker.

Hon. A.B. Duale: Hon. Deputy Speaker, Eng. Gumbo is a very good friend of mine. We need to look at the governance structure of this country. Eng. Gumbo has said that we need to engage ole Lenku on this matter. The Committee that hon. Kamama chairs is an extension of this House. When they engage ole Lenku and Mr. Iringo, they do so on behalf of Parliament. So, when the Committee summons the Executive--- It was the wish of the Kenyan people that they asked for a presidential system of governance that draws a line between the Judiciary, the Executive and the Legislature. I totally agree with hon. (Eng.) Gumbo.

On matters of security, the Departmental Committee on Administration and National Security can engage those officers, and any other Member can go and sit on the Committee, so that we get a comprehensive answer to the security situation in the country. It is not for us to say that this House should engage--- We do not expect Ministers to come and sit on the Front Bench. We cannot do it. The structure that we put in place at the referendum when Kenyans approved a new Constitution was one that made sure that ole Lenku cannot be in this House. Unless we go

back, amend the Constitution, do a referendum and bring a new governance structure, we will not have Ministers in this House. Unless we do that---

Hon. Members: On a point of order, hon. Deputy Speaker.

Hon. Deputy Speaker: Order, hon. Members! I think this is a debate that has been going on and it is not new. It was also raised in our leaders' meeting in Mombasa. If you look at Article 153(4) of the Constitution, you will find that it clearly states:-

“Cabinet Secretaries shall-

- (a) (a) act in accordance with this Constitution; and
- (b) (b) provide Parliament with full and regular reports concerning matters under their control.”

We should try to operationalize how Cabinet Secretaries shall provide Parliament with full and regular reports concerning matters under their control. How can that be executed? We have done it before but it is not a precedent. You did that when you allowed the Cabinet Secretary, National Treasury, to come here and present the Budget. You went into a Committee of the whole House and we were able to allow the Cabinet Secretary to come. I think it is about us really thinking outside the box. Let us see whether there is a way in which our Procedure and House Rules Committee can have some way of operationalizing a constitutional---

Hon. (Eng.) Gumbo: On a point of order, hon. Deputy Speaker. As I said earlier on, I do not wish to engage in debate on this matter, but let us really not try to distort history here. Security even in Nairobi, and my good friend---

Hon. Deputy Speaker: I think on security---

Hon. (Eng.) Gumbo: Hon. Deputy Speaker, what I am against is that the Leader of Majority Party is trying to say that we cannot engage the Cabinet Secretary directly. We can and we should because this matter goes beyond Committees; it affects every Member.

Hon. Deputy Speaker: That is why we are saying that let us find a way in which we can do that engagement, but within the law and within our Standing Orders.

Hon. Nuh: On a point of order, hon. Deputy Speaker. I think the Leader of Majority Party has missed the point today. Security is a very important national matter. For example, the Chairman has now brought an answer on an issue that has been raised in this House. However, there are clarifications that have been sought after the Statement concerning Laikipia, Bungoma West, Migori and elsewhere. So, we are looking for modalities on how we can engage with the people who handle our security. We cannot keep on dealing with messengers here. The Leader of Majority Party is a messenger and chairmen of committees are messengers; they bring messages that they were given by the Executive. These are mere messengers!

(Applause)

They bring here letters---

Hon. Deputy Speaker: Now, you are going beyond! These are leaders. You should withdraw that remark, hon. Junet!

Hon. Nuh: What is wrong with that, hon. Deputy Speaker?

Hon. Deputy Speaker: Withdraw that remark, hon. Junet! You cannot call the leadership of this House “mere messengers”.

Hon. Nuh: Let me withdraw that and say---

Hon. Deputy Speaker: Apologise!

Hon. Nuh: Apologise to whom, hon. Deputy Speaker?

Hon. Deputy Speaker: Apologise to the people you are calling “mere messengers”.

Hon. Nuh: Hon. Deputy Speaker, I will withdraw and apologise.

Hon. Deputy Speaker: Hon. Junet, you are totally out of order. You cannot call the leadership of the House “mere messengers”. That is completely out of order. You will not continue in this fashion hon. Junet. You cannot continue to talk very disrespectfully to your colleagues. This is because when we are all here, we are colleagues and you know what each person’s role is. Those are roles that are given by the Constitution. So, let us be respectful. Say what you want to say but say it respectfully, so that we do not feel like you are trying to disrespect others. Please, do as I have ordered, you will withdraw your remarks and apologise. This is before you can say anything else.

Hon. Nuh: Hon. Deputy Speaker, I withdraw and apologise.

What I meant was that the Chairman of the Committee and the Leader of Majority Party bring to this House information that they have been given by the Executive. So, I do not know how I should call them.

Hon. Deputy Speaker: I think your point has been made. He has understood.

Hon. Nuh: Hon. Deputy Speaker, what I meant is that the matter goes beyond that. When they bring responses that they have been given to this House, Members want to know more about the issue. That is why the Leader of Majority Party must accept that we must deal with ole Lenku. For example, we had the Cabinet Secretary for National Treasury through the Committee of the whole House. Security is a very important matter in this country.

Hon. Deputy Speaker: Hon. Junet, that point has been made. It is very clear what the message is, that we have to find some mechanism by either going into a Committee of the whole House particularly on issues of security. I think this is the big concern that has been raised. Yes, hon. Langat. Let us finish this now. Let us get the mechanism right.

Hon. Langat: Hon. Deputy Speaker, I think you need to move us forward. This is because what hon. Kamama was answering was the question by the hon. Member for Mwala and the question was very specific. The procedure is that if you want us to talk about insecurity in Migori, you should rise up as a Member for Migori, ask your question and you will be given an answer.

Hon. Deputy Speaker: We do not answer questions anymore, hon. Langat.

Hon. Langat: Hon. Deputy Speaker, that is if they want any statement from the Chair. However, you cannot convert a specific question of one constituency into a question for the whole country. That will be unfair to the Committee.

Hon. Koyi: On a point of order, hon. Deputy Speaker. I think the Hon. Member is out of “sight” because he is not ole Lenku!

Hon. Members: He is out of mind.

Hon. Koyi: Maybe, he is out of his mind.

(Laughter)

Hon. Deputy Speaker: Hon. Waluke, is it the misunderstanding of the English language or do you mean what you have said?

Hon. Waluke, do you know what you have just said? Hon. Waluke, please apologise for what you have just said.

Hon. Koyi: Hon. Deputy Speaker, let me withdraw and apologise but the Member is not ole Lenku.

Hon. Deputy Speaker: Who is not ole Lenku?

Hon. Koyi: Him.

(Laughter)

Hon. Deputy Speaker: I think we have to move from this point of order because the point has been made.

Hon. (Ms.) Kajuju: On a point of order, hon. Deputy Speaker. I think as much as we require more induction, we also need some training on the use of language, because I do not foresee a situation where a Member will imagine that one Member is out of his mind, which means he is insane in medical terms. But over and above that, it is important that we realise that this is the legislative arm of the Government. When need arises to ask the Cabinet Secretaries to appear before committees – that is why we elect chairpersons – they will be fully composed so that they are able to deal with issues that are asked by Members. If a situation arises where we do not trust the issues that are put before the Committee and the answers that are brought before the House, then what we are in effect saying is that we have no confidence in the Members who sit in the committees, or the leadership of those committees. By extension then, that will apply to the hon. Member who claims that we must have the Cabinet Secretary before the House for satisfaction to be achieved.

Hon. Deputy Speaker: Hon. Members, we cannot continue on this one. We have a lot of business today. We are leaving this matter to our Procedure and House Rules Committee. I can assure you that even in the last Parliament most of the Questions were on security matters. Therefore, I am sure that if everybody, from one corner to the other is going to be asking the same question, it is probably better for the questions to be answered by the Cabinet Secretary. We will find some mechanism of having that Cabinet Secretary coming to address everybody at the same time, so that every person can ask questions about their area. I fully support such situation. This is not to disrespect the Chairperson. It is only because the Committee does not have the full force of the law for them to be able to come out clearly, as you know, because of the mandate that they have been given.

Where is the Chairperson of the Committee to respond on that one?

Hon. Abongotum: Hon. Deputy Speaker, hon. Members will recall that we had a constitutional referendum and we are now in a different dispensation. We must live with that reality. Unless we go for another referendum and revert to the parliamentary system, which we have been used to for the last 50 years, we should live with the presidential system.

Hon. Deputy Speaker, my good friend, the Member for Mwala, started by saying that Mwala is a blessed constituency. I want to agree with him, because I have been to that area. It is a constituency full of oranges and other fruits. I will start with the issue of the presence of an OCPD. It is common, in most counties, to find districts where OCPDs operate from other places or from the regional headquarters. This problem is rampant and we will take it up with the Cabinet Secretary, so that the Inspector-General can post officers to all the stations. Quite a number of them are in charge of more than two districts. Therefore, they operate from far-flung areas. This aspect has to be addressed. I want to confirm to the hon. Member that we will address this matter, as a Committee, and make sure that OCPDs are posted to their respective areas of jurisdiction and settle there.

Hon. Deputy Speaker, on the issue of vehicles, I want to confirm that they are there. Some of them are not serviceable but we will continue asking the Cabinet Secretary and his officers to ensure that we have vehicles at every police station. As we speak, we have a

programme of leasing over 1,000 vehicles from reputable organisations or companies. We hope to get a vehicle for each police station and every police divisional headquarters.

On the matter of insecurity being rampant or otherwise, that issue was specific to Mwala. Maybe, I should amend the statement and say that there are quite a number of minor crimes in that area. However, I do not want to say that insecurity is not rampant in this country, because I know that insecurity is, indeed, rampant countrywide. Through this Committee, we will task the Cabinet Secretary and his team to do a better job.

Hon. Deputy Speaker, on the issue of mode of distribution of vehicles, as we speak, we do not have a very clear policy direction, but I want to believe that vehicles will be assigned to every station or district on the basis of demand. If an area is very insecure, vehicles will have to be assigned to that particular area.

On the issue of Muthangari Police Station, as raised by my friend, hon. Arati, who said that I should resign, I would like to tell him that resignation cannot happen. It is within the purview of the people of Tiaty in Baringo County, and not anybody else, to retire me as their Member of Parliament.

On the issue raised by hon. (Eng.) Gumbo, we meet the Cabinet Secretary once or twice in a week. We belong to the digital group, and I know that the engineer is digital. Our programme of Committee meetings is posted on the website. Sometime next week, we will be meeting the Cabinet Secretary. I want to invite him to come and do the interrogation because it is provided for within our Standing Orders.

Hon. Deputy Speaker, we are still learning the presidential system. At one time, I suggested in this House that most committee Members or chairpersons of committees should be taken to the United States (US) Congress to be taken through the workings of a presidential system. Most of us are still living in the past – in the parliamentary system – which has been practised by the United Kingdom (UK) for 1,000 years. Therefore, we need to take Members of committees to the US Congress, so that they can understand how the presidential system works. I want to propose that at some stage, we may have to come up with a policy, as a House, of engaging the Cabinet Secretary in the way we did with the Cabinet Secretary for the National Treasury, when he delivered the Budget Statement. Maybe, once in a month, the Cabinet Secretary should be able to address the House, through the Committee, on the state of security in the country. If doing so conforms to the provisions of the Standing Orders and the Constitution, my team and I are very flexible.

Hon. Deputy Speaker, as a Committee, we know that insecurity is an issue in this country. We promise that we will engage the relevant Cabinet Secretary to ensure that this issue is dealt with promptly and efficiently.

Thank you.

Hon. Deputy Speaker: Thank you. Hon. Muchai, we really must move.

Hon. Muchai: Hon. Deputy Speaker, I rise under Standing Order No. 87(3), which provides that it is out of order for any hon. Member to use offensive or insulting language, whether in respect of Members of the House or other persons. I am serving my first term in this august House but I indicated during my maiden speech that I was here to learn, and that I preferred to learn the good conduct of this House. I have keenly observed debate in this House, particularly when you occupy the Chair. There is a tendency by hon. Members to raise trivial issues on the Floor of the House and engage us on such issues for a lengthy period of time, which goes into waste. I would like to make particular reference to an hon. Member who referred to a fellow hon. Member as insane.

That is not only offensive to the extreme, but it is also an insult. When hon. Waititu was shouted down and somebody was making reference in a derogative manner about Central Province, he was shown the door. One Member here has referred to another as being insane. I have never thought that the sanity of this hon. Member seated next to me is in question.

(Laughter)

I am now afraid of sitting next to him because I do not know what he is likely to do when his level of insanity rises. I think there should be no lenience whatsoever to a Member who has used language that is not only offensive, but also derogative and deliberate.

Hon. Deputy Speaker, I request that this Member be named.

Hon. Simba: On a point of order, hon. Deputy Speaker. The hon. Member apologized and withdrew. It is in the HANSARD. Is the hon. Member who has just spoken in order to show that you are incapable of running the business of this House? That is what he is insinuating.

(Loud consultations)

Hon. Deputy Speaker: I will not take any more issues on this matter. Hon. Member, you heard me clearly ask the Member whether he has a problem with the command of English language. You are using the word “insane”. He did not say “insane”, he used the word which in my view he was not sure what he meant. That is why you heard me clearly say, “Is it the command of English language?” It is for that reason I said, “Withdraw and apologize”. It is no longer a record in the HANSARD that those words were used. I was giving him the benefit of the doubt because I was not sure of what he meant.

Therefore, that matter must rest. I have said here that we make our points without disrespecting and insulting our colleagues. Everybody has their say. If, hon. Muchai you were insinuating that I am incapable, I do not want to take it to that level. I do not want to believe that is what you were insinuating. So, we shall leave that matter to rest. Nobody is gagging anyone here. Everybody is allowed to say what they want to say without infringing upon others’ rights. That is the way we should go. Treat each other with decorum.

Hon. Sakaja: Hon. Deputy Speaker, allow me for a minute. Sometimes I get surprised in this House. This is because we forget that we are here to represent people. The matter that *Mheshimiwa* Gumbo raised is one that affects everyone. Not everything must degenerate into politics in this House such that if a matter comes from that side we must oppose and if it comes from this side it must be opposed. Certain issues call for leadership.

Hon. Members: Tell them!

Hon. Sakaja: No, it is not even about “tell them” or “hear”. This is to all of us because it happens on both sides. Kenyans are looking at us and they expect leadership from this House. There is a spirit that brings us here. Article 95 of the Constitution states that we are here to represent people. For us to perform better we are at liberty to call a Cabinet Secretary or sit in another chamber. Let us think outside the box. We can be creative as leaders. Despite the specific letter of the law, there is the spirit.

When hon. Toboso stands up to ask a question about security he needs an answer to go to his people. I do not think when such a question is raised it is to assert the power of a Committee, the chairperson or the Leader of Majority Party. We have confidence in the leadership of this House, but let us be creative enough to offer solutions. Let us be pragmatic when discussing

issues of importance to the people we represent. That is my humble and passionate appeal to this House.

Hon. A.B. Duale: Hon. Deputy Speaker, the position of chairpersons of committees of this 11th Parliament is in the Standing Orders and the Constitution. It does not talk of messengers. However, for the record, I want to say that I am proud to lead a coalition that won the election. I am proud to be a messenger of a sitting President. At least, I am not a messenger of a leader who lost---

Hon. Deputy Speaker: Please, hon. Duale, let us not start that. Hon. Sakaja has just made a plea.

Hon. A.B. Duale: Hon. Deputy Speaker, I want to go on record that I am not a messenger of a failure who lost the elections. I want to go on record that hon. Junet is suffering from the loss of elections.

Hon. Deputy Speaker: Order, hon. Duale! Are you reading the Statement or not? Please, read your Statement.

(Loud consultations)

Hon. Duale, you are not helping us in the spirit that we have just talked about. We need to make progress and work in this House. The kind of comments you are making right now are not helping us to progress.

Hon. A.B. Duale: Hon. Deputy Speaker, respect should come from both sides of the House. You need to control the House. It is not only one side and I am not a messenger of a failure. Now going back to my Statement---

(Loud consultations)

With regard to whether or not the funds have been distributed at the constituency level, the answer received from the Minister in charge of devolution and planning---

Hon. Mwaura: *Wacha kukosea watu hapa heshima!* On a point of order, hon. Deputy Speaker. Is the Leader of Majority Party in order to insinuate that he only respects people who have won elections when we know very well that this election was disputed? Is the Leader of Majority Party in order to abuse the leader of the coalition that we respect?

Hon. Deputy Speaker: Please get on with your statement Leader of Majority Party. I think your sentiments have been expressed, hon. Kaluma.

Hon. A.B. Duale: Hon. Deputy Speaker, the hon. Member for Kiminini, hon. Chris Wamalwa Wakhungu sought a Statement from the Leader of Majority Party on the Uwezo Fund. He asked three critical questions and the Cabinet Secretary for Devolution and Planning responded as follows:-

From the outset, His Excellency the President of the Republic of Kenya, none other than Uhuru Kenyatta, made a pledge of Kshs6 billion originally set aside by the Government for use in the event of an election runoff. I am happy the Kenyan people decided earlier that it could be rechanneled to support youth and women enterprises. The money is with the Government. The Ministry of Devolution and Planning was directed to urgently initiate preparations for the launch of a special fund dubbed "Uwezo." Uwezo Fund will employ the principles of table banking and revolving funds to create unique blend of financing for youth and women groups of this country.

Hon. Deputy Speaker, table banking is a rural finance concept that is widely practised and involves group members who come together and make regular contribution. The members contribute shares to a fund which issues loans to them.

The hon. Member for Kiminini, Chris Wamalwa Wakhungu – I want to apologize, it is not Eugene Wamalwa – asked whether the funds shall be distributed at the constituency level or the county level. The answer is as follows:

Uwezo Fund will be administered as a revolving fund under the Ministry of Devolution and Planning at the constituency level modeled along the Constituencies Development Fund (CDF) framework.

The Member for Kiminini asked whether the money will be under the watchdog of the constituency Members of Parliament, county women Members of Parliament, senators or otherwise. The constituency Member of Parliament shall be the patron of the fund at the constituency level. The county woman Member of Parliament shall be the overall patron of the Fund at the county level. The two hon. Members of Parliament, that is; the county woman Member of Parliament and the constituency Member of Parliament shall appoint on a 50 to 50 basis. Members of the constituency may also fund management committees that will be responsible for identifying beneficiaries, that is registered groups of women and youth and making recommendation for the disbursement of the funds.

The constituency Uwezo Fund Management Committee will comprise representatives from each ward in the constituency, four national Government officials at the sub-county level and one person living with disability. The CDF manager will be an *ex-officio* of the Constituency Uwezo Fund Management Committee.

With regard to the question of the terms of disbursement, the Ministry of Devolution and Planning will submit to the National Treasury, as the controller of budget, a special Exchequer requisition in line with the work plan and cash flow projections. Based on the approval by the controller of budget, the National Treasury will issue Exchequer release of the Uwezo Fund to the Ministry, just like CDF. The Ministry shall receive the funds totaling Kshs6 billion directly from the National Treasury as part of its Financial Year 2013/2014 budget. The Ministry will divide this sum amongst the 290 constituencies in accordance with the principle and the formula used for the division of the CDF funds.

(Applause)

The Constituency Uwezo Fund Management Committee will receive applications, evaluate and make recommendations for disbursement of the funds to successful registered groups and women.

With regard to the question on when the funds will be disbursed, upon the official launch of the Uwezo Fund by His Excellency the President on a date to be announced, a programme of capacity building for target beneficiaries will be undertaken for an initial period of three months. The capacity building programme will focus on table banking, business and entrepreneurship and public procurement. During this period, Constituency Uwezo Fund Management Committees will be constituted. The Constituency Uwezo Fund Management Committee will start the process of accessing applications and making recommendations for disbursement to successful groups.

In conclusion, there shall be a secretariat of the Constituency Uwezo Fund Management Committee comprising of the following: The CDF Fund Account Manager, the Appropriations-

in-Aid (A-I-A) holder from the Ministry of Devolution and Planning at the sub-county level, the Uwezo Fund coordinator and a maximum of two field officers to support their role. The secretariat shall primarily be responsible to ensure compliance of the set guidelines of managing the fund.

In liaison with the local national Government administration officers, the secretariat shall follow up on the repayment of all the proceeds from the recipients. A manual containing detailed operational guidelines, procedures and standard forms will be developed by the Ministry of Devolution and Planning to guide the Uwezo Fund.

Hon. Deputy Speaker, this is the Statement from the Cabinet Secretary for Devolution and Planning and I will take clarifications based on it and not on any other, including the CDF.

Hon. Wakhungu: Thank you, hon. Deputy Speaker. I want to take this opportunity to thank Leader of Majority Party for the work well done. However, I have been in this Parliament for about four months now. As a leader, I do not expect you to mistake me with Eugene Wamalwa. I am Chris Wamalwa and I am totally different from Eugene Wamalwa in terms of the looks and height. So, please, never repeat that because this is not the first time you have done it.

Hon. Deputy Speaker, I am hoping he will comply with that. I am taking it seriously because I am not Eugene Wamalwa. If you check in the HANSARD, I am one of the few hon. Members of Parliament who has appeared several times, if not among the top ones. So, please, as a leader---

Hon. Member: Appeared where?

Hon. Wakhungu: Appearance in terms of talking in the HANSARD, of course, yes, and talking sense, things of value. Not negative about each other. So, please, I am hoping that you are not going to repeat that.

Hon. Member: He must know people.

Hon. Wakhungu: You should know people!

(Laughter)

You must know the people that you lead, actually. Thank you.

Hon. Deputy Speaker: Hon. Chris please, do not belabor the point. You have made the point.

Hon. Wakhungu: Hon. Deputy Speaker, I am not going to belabor the point, but I want to seek some clarification. We know very well that this is a House of rules and procedures and such amount of money must be provided for in terms of the law of this country.

I appreciate what the Leader of Majority Party has said. However, one thing that I want clarification on is when you say 50 per cent to 50 per cent what do you mean? That is woman representative, 50 per cent and the constituency Member of Parliament, 50 per cent. That is a welcome idea. We are all here for complementary purposes but when you go further and say that the woman representative is going to be the overall, what do you mean? When you look at an organisational structure, the Chief Executive Officer (CEO) is the overall leader of any company. When we come to this House, the overall leader is the Speaker. So, can you clarify? Does it mean the constituency Member of Parliament reports to the woman representative? That one has to be clarified because it is going to lead to problems.

(Laughter)

We know very well that the woman representative idea came in as an affirmative action. Everyone knows about this. So, the issue of overall does not arise in this case. Unless we are going to work in terms of equals--- Giving an example of Nairobi County where we have about 17 constituencies, hon. Shebesh who is here will be going through all the 17 constituencies. Does it mean the hon. Member for Ruaraka or the hon. Member for Kibra or Westlands for that matter are junior to her? This is because when you say “overall” that is what it means.

(Applause)

In terms of capacity building, we do not need three months for capacity building. Kenyans gave Jubilee first round victory and these Kenyans are waiting for this money. Their businesses right now are stuck. Why should we go for the three months training? To me, it is too long. It should be like one month or even two weeks for that matter. The three months’ period is long. A shilling today is not the same as a shilling after three or four months. So, my humble request is Ann Waiguru, the Cabinet Secretary, should review that and if possible we go to one month or less so that these youth and women who voted for us can have this money as quickly as possible.

Hon. Deputy Speaker, lastly, you mentioned something like it is going to be a revolving fund. I remember when we were debating the Presidential Speech, I had requested that the Kshs6 billion should not attract any interest. There is an issue of the 3 per cent administrative costs. So, I would like the Leader of Majority Party to clarify. Is it coming as an interest or a first offshore so that we understand? Some banks will tell you that you will get this but when you go there, there is an extra cost that you cannot handle.

So, thank you hon. Deputy Speaker and back to you.

Hon. Deputy Speaker: We will take a few more clarifications before we give the Leader of Majority Party time to respond. Hon. Mbadi.

Hon. Ng’ongo: Thank you, hon. Deputy Speaker. I have two clarifications that I would like to get from the Leader of Majority Party. First of all, let me thank him for giving a well articulated response to this issue even though I would urge the Leader of Majority Party that he should know that when you are given titles you should live above the rest of us. So, I would request the Leader of Majority Party and even the Leader of Minority Party that next time they rise to speak in this House, they should promote reconciliation in this House. It is really hurting to see those who are supposed to lead by example taking us to places we want to forget and forget quickly.

Hon. Deputy Speaker, I want to seek two clarifications. The first one is with regard to the Kshs6 billion. I know that this was a promise when His Excellency President Uhuru Kenyatta was campaigning. He promised that should we not go for a runoff or a second election this money will be available to both the youth and women of this country. To my recollection, this Kshs6 billion is provided in 2013/2014 Financial Year Budget. If that is the case therefore, then the President has not lived to his promise because he promised that this money was to come from the 2012/2013 Financial Year. Therefore, it should have been provided in the supplementary Budget. So, if it is provided in 2013/2014 Financial Year, then that is not the money for the runoff. The youth and women of this country should get double the amount because we have budgeted for Kshs6 billion in this year’s Budget. There was the promise of Kshs6 billion in

2012/2013 Financial Year. Could we get a clarification whether the youth and women of this country are instead going to get Kshs12 billion for the soft loaning?

Hon. Deputy Speaker, number two, many a times when we hear of capacity building in this country it takes up the better chunk of the money allocated. We would want to know how much is budgeted for capacity building to restrict it to bare minimum and who is going to conduct this capacity building. We would not want to see those masquerading as consultants and professionals and yet they are busy wheeler dealers who are going to take money meant for giving capacity to our women and youth.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Antony Kimaru.

Hon. Kimaru: Thank you, hon. Deputy Speaker. I seek clarification as to when the Bill will be brought so as to actually formalise this arrangement because like the CDF and any other institution that has been formed to devolve funds, we need a Bill. We cannot be talking of sending this money to the constituencies when we do not have a legally acceptable framework. I have my reservation again about making the woman representative the overall patron of these funds because I believe that is not proper. This is because the lowest level of devolution, if you were to ask me, is the constituency and even further down is the ward. So, when we have other Members of Parliament superintending other Members of Parliament, I do not think that is proper and in my view again the person who has a proper constituency is the constituency Member of Parliament. I know there is a caucus that has been meeting and advocating---

Hon. Ng'ongo: On a point of order, hon. Deputy Speaker.

Hon. Deputy Speaker: What is your point of order, Mbadi?

Hon. Ng'ongo: Hon. Deputy Speaker, I think we have spoken this afternoon in this House about respect and clarity. When the hon. Member refers to some Members as representing proper constituencies, what do other Members represent? Could he clarify? Is it in order for him to refer to some Members---

Hon. Deputy Speaker: Just choose the right word.

Hon. Kimaru: Hon. Deputy Speaker, I think again it is an issue of semantics and this borrowed language and I think quite a bit of that is featuring. I do not think there is anything offensive talking about "proper". I did not say anybody was improper for that matter. If I had said anybody had an improper constituency then maybe I would have been out of order. Whatever else that has been said by the Member is only implied, imagined and not anything that I said. So, I think because the constituency Members of Parliament are the ones who really represent constituencies, they should have the first say in how this money is run. We can, indeed, involve the woman representative or the county Members of Parliament, if you like. We can incorporate them but let them work *pari passu*, in equal ranking if you like or under the constituency Member of Parliament. Let them not be elevated above the constituency Member of Parliament. I have seen the pecking order. If there is a pecking order being abused---

Hon. Deputy Speaker: Can you remember that you are seeking a clarification? Now, the Leader of Majority Party does not know what you want.

Hon. Kimani: Hon. Deputy Speaker, I would like the Leader of Majority Party to clarify whether his proposal will not demean the constituency Member of Parliament. I would also like him to consider whether that structure may be changed so that it accommodates the constituency Member of Parliament in a proper manner.

Hon. (Ms.) Nyasuna: Thank you, hon. Deputy Speaker, for giving me this opportunity to seek clarification from the Majority Leader. First of all, I would like to thank hon. Chris

Wamalwa for making this request. I thank the Majority Leader for bringing a comprehensive response to this House. I also thank the Ministry of Devolution and Planning for coming up with this Fund.

We co-exist in this House. That is the county Members of Parliament and the constituency Members of Parliament. I respect my brothers and sisters who represent constituencies, the same way I am sure my brothers and sisters who represent single constituencies also represent us as women who represent counties. I think that is the co-existence that we need. That is also the togetherness that we need. That is why we welcome the fact that we will work together to bring up our women and youth in our constituencies. I welcome the partnership between the county Member of Parliament and the constituency Member of Parliament to uplift the lives of our people. I just wanted to make this clear because I want us to live together as Members of the National Assembly.

There are many forces from outside that are fighting us as the National Assembly. I want to say that our strength will be in standing together as the National Assembly to implement the programmes that we are being given.

In terms of capacity building, it is important to clarify the points that have been raised. I want to emphasize that the success or failure of the Fund will be reliant on the capacity building and how well it is done. That is why I support those who have said that it has to be done well by recognized people. I would like to appeal to my brothers and sisters who represent single Member constituencies that we are here to co-exist. We have run across the entire counties, we have come here and all we are saying is that let us live and work together. We are brothers and sisters and let us rise. Amen.

Hon. Lati: Thank you, hon. Deputy Speaker. I want to thank the Majority Leader for giving a very comprehensive Statement. I also want to appreciate the effort that was made to include our lady sisters in managing this Fund. Having said that, there are issues here which we must consider. There is always politics back in our counties and we are here because of politics.

I am sorry to say that there is misunderstanding between the county woman representative and Members of Parliament. So, if you have a 50 to 50 sharing of these committees, I see a situation where we might reach a deadlock on who gets these funds. Where I come from, it is very bad for a man to argue with a lady unless she is your wife. I think somebody is trying to play a very clever trick to satisfy the women and at the same time putting us into some collision course. This is because we are in politics. If we have a 50 to 50 sharing of the committee, what happens in a situation where my lady friend disagrees with the youth who are chosen to get these funds?

I have heard the Majority Leader say that the person in charge of CDF is an *ex-officio*. I am trying to see whether this guy can also be a voting member of this committee so that he can break the deadlock.

Hon. Deputy Speaker, is this one way that the Majority Leader is trying to bring in ladies into the CDF, which means a lot to me? I do not want to share it with anybody. It is my CDF and I do not want anybody to be near it.

(Laughter)

Thank you.

Hon. Nyenze: Thank you, hon. Deputy Speaker. I just want to thank the Cabinet Secretary for Devolution and Planning for the response she has given. I also feel for the first time that the Majority Leader has done a good job and we give him credit on this one.

If you do the arithmetic, you will find that each constituency will get Kshs20 million. This may not sound very sweet to most of the Members. We have to provide leadership. I just want to appeal to my fellow Members. Surely, we control the CDF and the roads funds are coming to us. If we can allow the ladies to be involved, it will be very good.

(Applause)

It may not sound very good but it is also good not to be selfish because we are Members.

(Applause)

The poverty levels among women and youth in the rural and slum in urban areas are very high. Most of this can be very easily understood by women. I am not trying to say something out of rocket science. The poverty and the nitty-gritty about our daughters can be well understood by women.

I appeal to hon. Members, because hon. A.B. Duale has done a good job, that we have the woman representative control the Kshs6 billion.

Hon. Members: No! No!

Hon. Deputy Speaker: Order, hon. Members! Allow him to make his contribution.

Hon. Nyenze: Hon. Deputy Speaker, the Jubilee side should be reminded that I am the Minority Leader and this is my view. We should not be selfish. These are our sisters and we have to show concern and love. We are all Members of Parliament.

(Applause)

Hon. Members: No!

Hon. Deputy Speaker: Order, hon. Members!

Hon. Nyenze: Thank you, hon. Deputy Speaker. This money was meant for the runoff. As hon. Mbadi said, it should not be Kshs6 billion because it was for the 2012/2013 Financial Year. I have heard the Majority Leader say that it will be factored in the 2013/2014 Financial Year. We want a clarification on whether it will be Kshs12 billion or it will still remain Kshs6 billion. This is because if it remains Kshs6 billion, where would the Kshs6 billion have gone?

That is the verification I was seeking. Hon. Ann Waigura has done a good job. Thank you.

Hon. Deputy Speaker: Yes, hon. Sabina Chege.

Hon. (Ms.) S.W. Chege: Thank you, hon. Deputy Speaker. Allow me to thank the Leader of Minority Party for coming to our defence. It is good for us to learn to co-exist. Before I seek clarification from him, I would like to state the fact that the money is not a grant but a loan.

On the issue of capacity building that hon. Wamalwa talked about, I would like to clarify that we will be lending out the money interest-free but it is supposed to be returned. Many Kenyans expect the money to be a grant. Therefore, capacity building is very important due to the fact that the money is supposed to be paid back. So, we need to do capacity building. On the

issue of overall function of county woman representative, we know that these are hon. Members who were elected from single constituencies that represent counties. So, it is not that they are overall or bosses. It is only that their single constituency is the county. Therefore, it is good and fair for us to have that understanding.

Of course, we will be working together with our brothers and sisters representing the constituencies. You promoted us. When we talk about 50 to 50, it is not about sharing of the money because there is going to be a process through which any group can access the money. It is actually about the people to be in the committee, and not about the sharing of the money. It was very clear from the Leader of Majority Party that there is going to be a team to oversee the process. From the explanation of the Leader of Majority Party, it is clear that the model of the interest-free loan is almost similar to the Youth Enterprise Development Fund (YEDF) and the Women Enterprise Development Fund (WEDF). We know that they have had problems since 2007 but they have also learnt their mistakes.

The clarification I would like to seek is whether the Ministry of Devolution and Planning has consulted the administrators of the YEDF and the WEDF, so that, as a House, we do not make the mistake of endorsing the same things that have been done by the administrators of the two Funds. I know that the two Funds have taken time to grow. Another thing I would like to point out is that it is quite risky for Members of Parliament to control the loans that will be given from the Fund being established. I can foresee a situation where a group of constituents take a loan and then tell the Member of Parliament responsible for the Fund: “We voted for you *Mheshimiwa*. You can pay back this money on our behalf.”

Hon. Deputy Speaker, Kshs6 billion shillings is not little money. Would it be safe for it to be controlled by the established YEDF and WEDF since they already have structures in place? Given the uniqueness of the Fund being established, it can disburse to groups which have never benefitted from the YEDF and the WEDF. I know that the structures in the two existing Funds can ensure that women and youth grow, if the money is used as start-up funds from which other groups can subsequently benefit.

Hon. Deputy Speaker: Hon. Members, we cannot debate this matter because we have not yet even started the substantive business of the House. So, you need to clearly just ask for clarification.

Hon (Ms.) S.W. Chege: Hon. Deputy Speaker, the clarification I want made is whether the Cabinet Secretary and his team have consulted the administrators of the YEDF and WEDF to establish the lessons that have been learnt so far, and why the Kshs6 billion should not go to the youth and the women through the same channels.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Hon. K.K. Steven Mburu, please, just ask for clarification.

Hon. K.K. Kinyanju: Thank you, hon. Deputy Speaker. I require a very simple clarification from the Leader of Majority Party. He said that county woman representative would be overall. Could he clarify that bit? I cannot accept, in my situation, the representative to be overall. It cannot work!

(Laughter)

Hon. Deputy Speaker: Okay. Cyprian Iringo, you are next.

Hon. Iringo: Thank you, hon. Deputy Speaker. The clarification that is being sought by almost everyone in this House is also the one I want to seek. However, I would like to start by

telling my brothers parliamentarians that we do not have to be so mean with our sister parliamentarians. When matters come to this House, most of the time we look upon the 47 lady parliamentarians to support us. Why should we not support them once in a while? We are in one House. We are now refusing to support them because there is some money coming but there are times when we need them. Therefore, we should support our lady Members of Parliament. We should sit together and see how to disburse the money.

An hon. Member: Yes, but they should not be overall!

Hon. Iringo: Do not dismiss me like that, my friends. I am saying that we should not---
(*Loud consultations*)

Hon. Deputy Speaker, please, protect me.

Hon. Deputy Speaker: Order! Order, hon. Members! We all agreed that everybody will be heard.

Hon. Iringo: Hon. Deputy Speaker, I am on the Floor. My colleagues will have their turn to talk. I am talking as the Member of Parliament for Igembe Central. I am saying I support the lady Members of Parliament. Let us not be mean. When we go home, we live with ladies. When we want other things to be done, we need ladies but when we come to Parliament, we deny them their rights. Why? I support them.

Thank you, hon. Deputy Speaker.

Hon. Deputy Speaker: Yes, Dr. Nyikal.

Hon. (Dr.) Nyikal: Thank you, hon. Deputy Speaker. I had told you that my card got lost but it has since been brought back to me.

Hon. Deputy Speaker, first of all, let me thank the Leader of Majority Party. This is the best message he has brought to this House in a long time. Let me also thank hon. Chris Wamalwa for bringing this question. As designed, this Fund is very closely related, structurally, to the YEDF and the WEDF. Are the YEDF and the WEDF going to continue to exist or will they be subsumed in this new Fund? What will be the relationship between the YEDF and the WEDF on one hand and the new Fund being established on the other, given that the groups being targeted are the same? Secondly, we know that the money being used to create the new Fund is from funds that were meant for presidential election runoff. We also know that the YEDF and the WEDF were funded before. Are the YEDF and the WEDF going to continue existing, in addition to the new Fund being established?

Having said so, let me say that the worst thing we can do for the new Fund is to start wrangling over it as to who should control it. Whether it is controlled by woman representative or other Members of Parliament, the most important thing is whether we are targeting our people and serving them well. We should stop being selfish. We will always be re-elected to Parliament, if the people we represent here are served well. So, let us not cry for control of the funds. Let us cry for service delivery to our people. Let us sit down and structure the new Fund properly, so that our people can benefit from it. I have had experience with the WEDF. It has done what I may tell you are wonders.

There is only one point I would like to add to what I have said. The issue of training is paramount to the success of the programme. I know that we may want to do it quickly. Our experience is that if it is done very quickly, we are likely to have problems. The target groups need training on simple business issues, financial management, value addition and marketing. We must limit by law, the percentage of the new Fund that should go towards meeting administration costs.

Finally, I know that we are happy to hear that the money will be given interest-free. The problem with this is that if you have a revolving Fund that is interest-free, the administrators gradually eat into the Fund. So, it would be wise to levy a small interest of one or two per cent to be used on administration costs of the Fund. I would like hon. Mbadi to listen because I am talking for the benefit of Kenyans.

So, once again, I congratulate the Leader of Majority Party for the very good message he has brought to the House today. We should forget those other antics and think of what hon. Sakaja said. There are times when we must think of this country, and not just think of political success for ourselves and our parties.

Thank you.

Hon. (Ms.) Muhia: Thank you, hon. Deputy Speaker. Before I say anything I want to tell my colleague hon. KK that I was a good bank manager and a human resource manager too. So, if the funds were in place I would really manage them well.

Hon. Members, it would be fair if you let the funds go wholly to the woman representative. This is because we were elected in this country and until today none of the---

(Loud consultations)

Hon. Deputy Speaker, the public would have assessed our capability, accountability and transparency.

The first clarification I seek is this: Does the structure on the basis of 50 to 50 not attract conflict between my constituency MP and I? This is because who will bring the chairperson on board if I elect three members at the ward level?

The second clarification is this: In case of default, who owns those projects? Is it the woman representative or the Member of Parliament at the constituency level?

The third one is this: What is the role of the woman representative as a patron? Is she not just a figure because at the constituency level the funds are given from ward level? Should we not try to avoid the conflict? Is this structure permanent or can it be changed?

Hon. Kajwang': Hon. Deputy Speaker, part of the problem we have run into as a House and that is the reason I suspect there are many people who want to ventilate on this matter is because the fund has been structured by way of a manual or a circular. A lot of things have been said. However, looking at Article 206(2), it states that money may be withdrawn from the Consolidated Fund only (a) in accordance with an appropriation by an Act of Parliament; or (b) in accordance with Article 222 which is Vote on Account or 223, which is Supplementary; and (c) as a charge against the Fund as authorized by this Constitution or an Act of Parliament.

I am begging for clarification. How else is the Cabinet Secretary able to withdraw money from the Consolidated Fund even for the use on Uwezo without following Article 206? I suspect that if the proposals by the Cabinet Secretary---

Hon. Ng'ongo: On a point of order, hon. Deputy Speaker. Usually, I do not like interrupting my friend hon. T.J. Kajwang' because I know he is one of the best brains that we have in this, especially on legal matters. However, I realize that he, probably, has not really understood the financial issues. When you read Article 206 it talks about appropriation. I would like to remind him that this House has actually appropriated those funds. That is what we did a couple of weeks ago when we were appropriating money for the national Government.

Hon. Kajwang': That may be so and I respect it. The only issue I am saying is this: For an amount of money of this magnitude so that you can see the divergence of opinions that have

been raised on how to manage and structure the funds, it is useful that there is an Act of Parliament which is a one-off Act of Parliament. An Act of Parliament becomes the crystallization of all these issues and we come to an agreement whether this thing should be controlled and in what manner it should be controlled. If it was brought, hon. Members would have various opinions, but would then be crystallized into one Act of Parliament that will find support from Members of Parliament and county woman representative.

I am one of those who are excited about the Uwezo Fund. This is because some of us when campaigning told ladies and young men that we are going to find out how to bring some money so that *mama mboga* or *mama githeri* can have some Kshs5,000. It is important that this is well structured so that members do not come to fight. There is going to be an Act of Parliament which will control how the money is disbursed.

Hon. (Ms.) Otucho: Hon. Deputy Speaker, I was actually rising on a point of information to the hon. Member because this matter has come to the Floor by virtue of the Statement requested by hon. Chris Wamalwa, but it was still under the development process. The structure was being developed after which the matter was to come to this House for legislation and enactment as an Act before the money is released.

Before I raise my point of clarification, I would like to commend the Leader of Majority Party for a good job done. The same appreciation extends to the Cabinet Secretary for Devolution and Planning. My point of clarification is on the sharing of membership, that is, the 50 to 50 by county member and constituency member. We will need to comply with the Constitution in terms of representation and diversity. We need to include persons with disability and all that. Now, that being the case, what is the composition of the committee to be constituted?

A constituency member has many members. How many members will there be from the county representative? In order to avoid conflict, how will you decide who is bringing which representative in compliance with the constitutional requirements?

Hon. Deputy Speaker: Hon. Tiya Galgallo, just one clarification. Hon. Members, this was just a question by hon. Chris Wamalwa. I am not gagging debate, but you should realize that we only have less than an hour of actual business. I am appealing to you to allow the Leader of Majority Party to give clarification on the matters that have been sought and then we can move to the substantive business of the House which is on the Value Added Tax Bill.

Hon. (Ms.) T.G. Ali: Thank you, hon. Deputy Speaker, for giving me this opportunity to contribute. Let me thank the Leader of Majority Party for his articulation on the question that was asked by hon. Chris Wamalwa. Just to mention something to do with the capacity building issue, it is a good practice across the world for any programme that is new for people to do capacity building. This is not exceptional; there are many other programmes we have had in Kenya that have been allocated money to do capacity building. I know maybe---

Hon. Deputy Speaker: Please hon. Tiyah, your point of clarification.

Hon. (Ms.) T.G. Ali: My point of clarification is on the issue of the structure. The Leader of Majority Party talked about 50 to 50 representation, which is just at committee level. I think this is good because we made pledges and I think this is the first time the women of this country who have been elected on affirmative action are now getting a place to breathe. At least, there is something that we will be able to do at the county level. So, we are only asking hon. Members representing constituencies to support us so that we will be able to help them work in their constituencies. So, this is our humble request and I know it will not cause any harm because this is money to be given to the youth and women. I am sure if a woman at the county level will

be able to help disseminate the same information, I think you will be able to do this work fairly well.

Thank you.

Hon. (Ms.) Odhiambo-Mabona: On a point of order, hon. Deputy Speaker. I would really want to request, I do not know whether it will be the Leader of Majority Party or the Chair, to guide me. While I am sitting here, and I have heard it a lot of times, many women hon. Members come to me and say: "Millie please, support us on this." I would like you to make a ruling on what my gender is. I want to know whether I am a hermaphrodite, transgender or whether I am a man for purposes of these funds. I do not want hon. A.B. Duale to respond because I can see he is cheeky. I am saying this lightly but it is a very pregnant question. This question is pregnant and I want to know for purposes of these funds, what I am. Am I hermaphrodite? Even in the clarifications, you see hon. Members here; there are just men and women talking. What am I? I want to know.

Hon. Midiwo: Thank you hon. Deputy Speaker. You can see the interest in this particular topic. The first thing I would like to request the Leader of Majority Party is to tell this House whether there is intention to bring a policy paper so that as a House we can debate this particular issue. Even as we speak, this money is in some private bank somewhere accruing interest. It is important that we do the right thing when duty calls. I want to plead with my colleagues, the male hon. Members because there are also female hon. Members---

You are arguing about nothing! I want to plead with you; no harm will be done if you leave this fund to the county woman representative 100 per cent. There will be no harm whatsoever! The reason why we created the 47 seats was to create some kind of affirmative action. These people have campaigned in counties. We must as a country make them earn their money. Even if it means working with the youth and children, nothing will be lost if you let the lady county representatives organize these fund, after all you have the CDF.

Hon. Deputy Speaker, yesterday I was talking to the Chairman of CDF, there are very many hon. Members here who have inherited CDF accounts because their predecessors never worked.

Hon. Kaluma: On a point of order, hon. Deputy Speaker. I am a bit confused on the procedure we are adopting particularly in relation---

Hon. Members: Use the microphone.

Hon. Kaluma: As I was saying, we need direction from the Chair in terms of how we are approaching this request for Statement and clarification. It does appear to me that truly we are debating as if we are in the context of a Motion.

I request that we either ask questions or move to the more important Motions which brought some of us here.

Hon. Deputy Speaker: Hon. Kaluma, is it not precisely what I have been saying for the last 15 minutes? We said, let the Deputy Leader of Minority Party, hon. Midiwo, give the last clarification then the Leader of Majority comes in.

Hon. Midiwo: Hon. Deputy Speaker, while I agree with hon. Kaluma, this afternoon or for the last four months, this probably is the most important issue canvassed on the Floor of this House. The Chair has made a ruling on the clarifications that we are asking the Leader of Majority Party. We need to have a policy paper as a House. We have that constitutional duty to bring it here and debate it so that we can give the country direction. If they have been fair on an issue like this, we take the whole day debating it so that we can see how to help the youth and

children. How are we going to create wealth as country? We have to take care of these females, mothers and kids on the streets. We cannot do it without debate.

I thank you hon. Deputy Speaker.

Hon. Deputy Speaker: Thank you, hon. Midiwo. As you know, this is Statement from hon. Wakhungu. Leader of Majority Party, please give the clarification.

Hon. Members, let us move on.

Hon. A.B. Duale: Hon. Deputy Speaker, first, it is only that I am fasting. I can confirm the gender of hon. Millie Odhiambo. We have a long history but after I open my fasting, I can confirm her gender.

(Laughter)

You do not need to make a ruling. I can do that after the expiry of *Ramadhani*. Hon. Eugene Wamalwa was a party leader and I have a lot of respect for him, but the hon. Member for Kiminini---

Hon. (Ms.) Odhiambo-Mabona: Hon. Deputy Speaker---

Hon. Deputy Speaker: Order, hon. Millie!

Hon. A.B. Duale: Before Mr. Mabona---

Hon. Deputy Speaker: Please, Leader of Majority Party!

Hon. A.B. Duale: Okay. Hon. Deputy Speaker, from the outset, I want to say that county hon. Members represent our wives, sisters, daughters and mothers. They also represent our counties. They are colleagues in this House, unlike others who are in other Houses. So, they sit with us every day in committees and in the House. So, I think we must accommodate them and share with them and we must move together so that they are reelected to this House, the way we want to be reelected to Parliament.

Hon. Member: Yes!

Hon. A.B. Duale: Hon. Deputy Speaker, hon. Chris Wamalwa of course raised the issue of capacity and I think hon. Nyikal said it is a new thing. Let us start it with more training and capacity. On the issue of the 50 to 50 between the county and the constituency, it is about the selection of the committee and what that committee will basically do is select vibrant youth groups and more enterprising women groups. It is not about a committee that will share money.

Hon. Mbadi, yes, this is Kshs6 billion and it is in the 2013/2014 Budget. Appropriation has been done and thank you for your good advice. Hon. Kajwang' might be good in court but I know some of us are also good in accounts and we read the Budget. So, money has been appropriated. It is there and it is not in private banks. It is with the National Treasury and I am sure the question of capacity has been addressed.

Hon. Deputy Speaker, then there was the question by hon. Kimaru and I will urge him that please let us stand with our women Members of Parliament because all of us want to serve the people. I think we do not want our county women Members of Parliament to lose elections. Kenyan politics is more resource based. The county governors have the resources. The Members of Parliament have resource based devolved funds. Let us give our sisters that resource so that they make an impact on the ground.

Hon. Deputy Speaker, most of it was more of comments and I think it is a debate for another day. I agree with hon. Jakoyo that I advise the Cabinet Secretary for Devolution and Planning to bring a policy document so that we debate it and come up with suggestions on the way forward. Hon. Gladys, was more on the spirit and unity of our House.

Hon. KK, please, I am sure back at home you have daughters and mothers. You have a mother and a sister and you have ladies who campaigned for you; women who stood with you and who brought you to this House. I want you to listen to them and make sure that you stand for their interests.

Hon. Lelit talked about how we will deal with conflict. I am sure the 50 to 50 will not call for mediation. It will not be like the Revenue Bill that we have an issue with the Senate. I am sure if we sit the way we sit in this House and our counties--- Each and every woman county Member of Parliament campaigned and got votes in their constituencies. We sit with them when we are having tea. We sit with them in this House. We sit with them in the committees. I am sure if we carry that spirit then we can still share this Kshs6 billion.

Hon. Sabina raised a question on the Youth Enterprise Development Fund and Women Enterprise Development Fund. Questions have been raised but in the last five years when I was in the last Parliament, the people who got money from these funds in my constituency were less than 2 per cent. The money is just in the banks and banks make a lot of money.

Hon. Nyenze, thank you very much. I have known you for standing for the women of this Parliament and for the country. I hope that will translate to the coalition that you lead. Hon. Muhia, you have a lot of work to do. You need to go and talk to KK. He comes from your county. You are not doing good work on gender sensitivity in your county. I think we can help you and we are ready to go to Nyandarua County and make sure that we work together.

Hon. Kajwang', yes, his question was answered by hon. Mbadi.

Hon. (Ms.) Shebesh: On a point of order, hon. Deputy Speaker. Is it really right for the Leader of Majority Party to come out on national television and say that one Member of the County of Nyandarua is not doing good work when he cannot substantiate and all he has is the opinion of another Member called KK? Is it really fair and in order?

Hon. Deputy Speaker: Leader of Majority Party, you need to summarise.

Hon. A.B. Duale: Hon. Deputy Speaker, the Member for Kinangop was sitting just behind me and I know he comes from Nyandarua where the gracious lady Member of Parliament from Nyandarua County comes from. As a leader, I wanted to offer help in making sure that Nyandarua County does not kill the spirit we have in the House in making sure that the county woman Member of Parliament get a share of this resource.

Hon. Tiya talked about the 50 to 50 sharing. There is no power struggle. You will be the boss of the constituency. You are the boss of the constituency here in the House. The county women Members of Parliament are the leaders at the county level. So, there will be no duplication. They will be the patrons at the county level of six, seven, 10 and 11 constituencies or 17 for Nairobi and the Members of Parliament will be in charge. More so, it will be framed along the CDF model. Our fund managers will be *ex-officio*. I think Members this is the best way to go because the other way is for us to create a law like the CDF and you know how long it will take. We better do it. The hon. Member for Thika, do not worry, I will talk to you also after *Ramadhani*.

(Laughter)

Hon. Mary Emase, yes, I hope that Members will bring the policy document but please let us develop a bipartisan and bi-gender approach to make sure that this is done.

Hon. (Ms.) Odhiambo-Mabona: On a point of order, hon. Deputy Speaker. I said I raised a question that appeared in jest but it was very pregnant because hon. Duale looked like he

was going to make a joke of it as, indeed, he did. I said that I want you to please give guidance as to my gender in respect of this issue. This is because if you listened to the way the Members have been speaking, the male Members are talking about their need to support the county woman and I am feeling threatened. I do not know whether I need affirmative action. So, I need to know what I am, what my role is and why I was elected. I need to know as a woman who was elected in a single member constituency. I need to know why women are asking me to support them as if I am not a woman. I have not been responded to.

Hon. Deputy Speaker: Hon. Millie Odhiambo, yes, the answer to your question is that you are a woman but you are a single constituency Member of Parliament like the other male colleagues in the House. So, there is not going to be a special role for you as a woman Member. Whatever role that you will be playing is the same role that the other male colleagues who also belong to single constituencies will be playing. I do not think there is going to be a special role because you are a woman Member of a single constituency. So, let us actually take this seriously. We are all agreeing that we want to work on this together and so we want to work as single constituency Members and county Members. We want to work together in constituting the committee that is going to run this Fund. Let us move. I think we have finished on this matter, hon. Members. Allow us to move to the next one for purposes of moving on.

Next Order.

BILLS

First Reading

THE MATRIMONIAL PROPERTY BILL

(Order for First Reading read – Read the First Time and ordered to be referred to the relevant Departmental Committee)

Hon. Deputy Speaker: Next Order.

Second Reading

THE CAPITAL MARKETS (AMENDMENT) BILL

(Hon. Langat on 18.7.2013)

(Debate concluded on 24.7.2013)

Hon. Deputy Speaker: Hon. Members, this Bill had been adequately debated and moved and what was left is putting the Question. So, hon. Members, we have ascertained that we have the requisite numbers in the House and I therefore put the Question.

(Question put and agreed to)

(The Bill was read a Second Time and committed to a Committee of the whole House tomorrow)

Hon. Deputy Speaker: Next Order.

Second Reading

THE VALUED ADDED TAX BILL

Hon. Deputy Speaker: The hon. Chair of the Committee.

Hon. Langat: Thank you, hon. Deputy Speaker. I wish to move that the Value Added Tax Bill, National Assembly Bill No.9 of 2013 be now read a Second Time.

You will note that this is one of the Bills, as I move it, that has generated a lot of debate and interest in the last few days. This is the Bill that will amend the previous Act. It will replace it completely with the new Act. The interest it has created is understood because when any change comes and especially, when you are talking about a complete overhaul of a system, there is bound to be people who are not comfortable.

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

*[The Temporary Deputy Speaker
(Hon. Kajwang') took the Chair]*

Hon. A.B. Duale: On a point of order, hon. Temporary Deputy Speaker, Sir. I do not want to interrupt the Chairman of the Departmental Committee on Finance, Planning and Trade. However, because of the issue which was very hot, I forgot to read the Statement on behalf of the House Business Committee. Through the indulgence of the Chair, I just want to read that out and then Hon. Langat can continue.

Hon. Members: On a point of order, hon. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Hon. Kajwang'): Order, Hon. Members! I refer you to Standing Order No.44 (2) (a) which says:-

“A member of the House Business Committee designated by the Committee for that purpose shall, every Thursday or on the last sitting day, for not more than ten minutes, present and lay on the Table a statement informing the House of the business coming before the House in the following week”.

Hon. Members, you can see that this Standing Order is a mandatory requirement. So, I will allow the Leader of the Majority Party to do that in just a few minutes before we can go on.

BUSINESS FOR THE WEEK COMMENCING
30TH JULY TO 2ND AUGUST, 2013

Hon. A.B. Duale: Hon. Temporary Deputy Speaker, Sir, pursuant to Standing Order No.44(1)(2), on behalf of the House Business Committee, I rise to give a Statement regarding the business appearing before the House next week. On Tuesday, next week, that is on 30th July, 2013, the House Business Committee has scheduled a Procedural Motion---

Hon. Nyamweya: On a point of order, hon. Temporary Deputy Speaker, Sir. You know we are a House of rules. We will not be able to work if we do not follow the rules of this House. I rise under Standing Order No.44, notwithstanding Standing Order No.40, on the sequence of

proceedings. There shall be time to be designated “Statement Hour” every Thursday which commences not later than 3.00 p.m. Is the Leader of Majority Party in order to give the Statement now when he should have done it earlier on? We need your guidance, hon. Temporary Deputy Speaker, Sir.

Hon. Ng’ongo: On a point of order, hon. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Hon. Kajwang’): Can we deal with one order before we come to yours? Is yours related to this order so that we can handle them at the same time?

Hon. Ng’ongo: It is the same, hon. Temporary Deputy Speaker, Sir. However, it is on the two Standing Orders that you have just read out. Standing Order No.44(2)(a) says:-

“A member of the House Business Committee designated by the Committee for that purpose shall, every Thursday or on the last sitting day, for not more than ten minutes, present and lay on the Table a statement informing the House of the business coming before the House in the following week”.

Standing Order No.44 is on “Statement Hour”. We are way past the Statement Hour which was on Order No.7 because we are actually on Order No.10. That being the case, we cannot be conditioned to obey this provision because it is already past the time. If it was during the Statement Hour, then we would be obligated to have the Statement. So, we must admit that the Leader of Majority Party was not alert and, therefore, we shall do without that Statement this week.

The Temporary Deputy Speaker (Hon. Kajwang’): Hon. Members, that is a very easy issue to dispose of – that is the two points of order raised by hon. Nyamweya and hon. Ng’ongo. First, Standing Orders help us to prosecute the issues that we have but we are not slaves to the Standing Orders.

Secondly, we want to purposefully understand the Standing Orders. Although I note that in Standing Order No.44(1), the Statement should come during Statement Hour which should be made not later than 3.00 p.m., hon. Members, you know that we have had a very interesting afternoon. We have discussed issues of national importance; that is how we will improve our women and youth.

(Applause)

Hon. Members have contributed excitedly. We cannot close our eyes to important business of the House like how we will run this House next week. So, I rule you to be out of order and ask the Leader of Majority Party to proceed.

Hon. A.B. Duale: Thank you, hon. Temporary Deputy Speaker, Sir, for that good guidance that you have given to hon. Mbadi.

Pursuant to Standing Order No.44 (1)(2), on behalf of the House Business Committee, I rise to give a Statement regarding the business appearing before the House next week.

On Tuesday, next week, which will be on 30th July, 2013, the House Business Committee has scheduled a Procedural Motion seeking to extend the constitutional timelines pursuant to Article 261(2) of the Constitution for the Bills due to be passed by 27th August, 2013. These Bills include:-

The Media Council Bill, 2013 and the Kenya Information and Communication (Amendment) Bill, 2013. Those Bills were both published on 22nd July and could mature for First Reading 14 days later, which will be on 6th August, 2013.

Hon. Members are aware that pursuant to Article 261(5), failure to pass these Bills before the constitutional timeline of 27th August, 2013, may attract any member of the public to petition the High Court to dissolve Parliament, including the Senate.

In this regard, the Leader of Minority Party requests all Members to be present in the House on Tuesday next week to pass this Procedural Motion which requires a two-thirds majority of the House for passage. I also wish to indicate that this Motion is proposed by the House Business Committee and not the Majority Leader. There is a general agreement in the House Business Committee in which both the Majority and Minority parties are represented for the House to be asked to approve this Motion. The leadership in both sides is alive to the fact that if Parliament is to consider these Bills in detail, it is not possible to pass them by 27th August, 2013. It is possible that we can forgo our recess but still not pass the Bills by 27th August.

On Wednesday morning, the House will continue with the debate of ordinary Members' Motions as scheduled. Later in the afternoon, we expect the following Bills to be read a Second time:

The Value Added Tax Bill, 2013, if debate is not concluded today, the Kenya Deposit Insurance (Amendment) Bill, 2013; the Micro Finance (Amendment) Bill, 2013 and the Insurance (Amendment) Bill, 2013.

On Thursday, next week, the House will continue to debate the Second Reading of the following Bills, if not concluded on 31st Wednesday, July, 2013:- The Kenya Deposit Insurance (Amendment) Bill, 2013, the Micro Finance (Amendment) Bill, 2013 and the Insurance (Amendment) Bill, 2013.

On the same day, the House Business Committee has scheduled the concurrence Motion on the approval of Members to the Pan-African Parliament (PAP).

Finally, according to the Parliamentary Calendar, we should proceed for recess, starting Friday, 2nd August, 2013 until 3rd September, 2013. The House Business Committee will meet on Tuesday, 30th July, 2013 at the rise of the House to consider the business for the rest of the week. I hereby lay the Statement on the Table.

(Hon. A.B. Duale laid the document on the Table)

The Temporary Deputy Speaker (Hon. Kajwang'): Next Order!

Second Reading

THE VALUED ADDED TAX BILL

The Temporary Deputy Speaker (Hon. Kajwang'): Committee Chairperson, you have about 42 minutes.

Hon. (Ms.) Odhiambo-Mabona: On a point of order, hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Kajwang'): How can we have disorder when nobody has even spoken, Member for Mbita? Can you proceed, Committee Chairperson?

Hon. Langat: Hon. Temporary Deputy Speaker, this Bill was brought forward---

Hon. (Ms.) Odhiambo-Mabona: *(off-record)*

The Temporary Deputy Speaker (Hon. Kajwang'): Order, Millie! You cannot interrogate that Statement now. The Statement has been laid on the Table and that is it. Can you proceed, Committee Chairperson?

Hon. Langat: Hon. Temporary Deputy Speaker, this Bill was brought here for the First Reading on 2nd July, 2013. As per our Standing Orders, we encourage public participation. First and foremost, I want to say that the process of overhauling this Bill began way back in 2010/2011, when the Minister for Finance then, who is now our President, proposed to overhaul the VAT system to make it simple for everybody to understand. The Bill came here during the last Parliament, but it was not debated.

The biggest challenges in the current Act are complications which have arisen from several amendments that were made through various Finance Bills that have passed through this House. The result of those complications have been fraudulent claims for refunds and a serious accumulation of refund claims amounting to Kshs29 billion, which is supposed to be paid to claimants by KRA.

(Loud consultations)

Hon. Temporary Deputy Speaker, I want to request for your protection. Maybe, you should do something. We are now in serious business of the House. There is need for serious understanding of how the business of the House should be conducted. We are trying to make laws here. I do not want hon. Members to come here two years later and say that this Bill was rushed through Parliament when we have all the time to look at it now. I want hon. Members to listen as I initiate debate on it, so that we can do a good job. Kenyans are watching us.

I was saying that to-date, out of the complications that arose out of the amendments that were made to the Act over the years, the private sector is demanding a whopping Kshs29 billion because of the system that is in place. So, the decision to introduce this Bill is intended at simplifying the VAT system. One of the greatest tenets of a good public finance system, in terms of taxation, is its simplicity. My colleagues who are conversant with public finance know that a good tax system must be simple to understand and operate.

Hon. Temporary Deputy Speaker, we have talked to PriceWaterhouseCoopers on the present Act. They told us that in any single year, a single private sector company spends 273 hours trying to comply with the field issues. At the end of every month, they must comply. Therefore, the need for this repeal is to ensure that the system is simpler for both the Government and the private sector. In fact, the Government requires a system that is less expensive to operate. Therefore, this Bill seeks to reduce some of the expenses.

The other issue is that in the current Constitution, there is a provision which says that no law shall be made by Parliament that shall exempt any person from payment of tax because of the office that person holds. However, the current Act, for example, exempts from VAT, supplies for presidential use and supplies to the military. I know that this is a matter which is subject to debate but that is what the Constitution says. The Act says that supplies for those two institutions shall be exempted from VAT because they are for the President of Kenya or the military of Kenya. Be that as it may, the current Constitution does not allow the existence of such law. Therefore, one of the proposals contained in this Bill is the removal of zero-rating of supplies meant for presidential use and the military, so as to comply with the Constitution.

Hon. Temporary Deputy Speaker, I have already talked about VAT refund claims causing a complication and, therefore, necessitating the efforts to ensure simplicity. We must have a system where the Government can raise money and target the poor. When we spoke to the professionals, they told us that it is not even right for the Government to use a tax system to target the poor. Even if we are to say that we are zero-rating a commodity today, the Government

does not have control over the other factors of production to ensure that the benefits that will accrue from zero-rating will reach the targeted persons. Therefore, there was a general consensus among the practitioners that we use an expenditure system, meaning that we collect revenue and then target a specific category of people, so that the tax system is not abused. Therefore, this Bill will enhance revenue collection by the Government and enable it to respond to specific sectors that require immediate attention.

Another important administrative issue being addressed is that, for the first time, the proposed law says that the Commissioner can utilise ICT to simplify the process. This means people will no longer have to queue at Times Towers or at any other KRA office countrywide to file their tax returns at the end of each financial year. If you pass near KRA premises at the end of each financial year, you will see long queues of people trying to comply with the tax law. Of course, Kenyans are used to last-minute rush. This Bill makes provision for the Commissioner to operate a system of information technology to enable taxpayers to file their tax returns from their offices or even through their mobile phones. People will no longer have to queue or spend money trying to comply with the tax laws.

There were, I think, three or four rates. One of them was a standard rate which was 16 per cent and there was another one of 12 per cent applying to some sectors. There was zero-rating and also the exemption one. This Bill actually removes one which was actually part of the complication. Now there is a standard rate of 16 per cent, zero-rating and exemption.

When my Committee met with the various stakeholders, I must report to the House that there was overall consensus that the principle behind this new Bill is good. Therefore, I want this House to note that we have spoken to the Kenya Private Sector Alliance (KEPSA), the Institute of Certified Public Accountants of Kenya, Kenya Airways, tourist operators, Consumers Federation of Kenya (KOFEK) --- There is a Non-governmental organization that organized a meeting on this Bill. They had a right to do so. They, in fact, held a demonstration outside here and they brought *ugali* with them. They said that this Bill will make the price of *ugali* increase. When they came outside there, they looked for me. They told me, "How can you listen to one side of the divide?" I managed to meet their chairperson.

If you look at the Report which I tabled a while ago on this Bill, that group of consumers raised issues that we are going to consider. We are in agreement that generally--- I want to state it clearly that we are considering that in the Third Reading. We are going to exempt the most basic items like *unga*, bread, milk and so on. There is a great request from our ladies that we consider the sanitary towels. We will consider that regarding our school girls. However, I must say that the ones I have mentioned, including sugar, we are almost in agreement. I want to urge all those who have issues that if we agree, we will exempt *unga*. This Bill should be passed so that we benefit from it. I know a small section of the Bill might ruin the whole thing. My Committee is listening and it will consider a lot of these things. Before the Third Reading we will have agreed as a Committee on the amendments that we need to bring, so that this Bill captures the public interest and views. If you look at the Report of the Committee, we have put all the proposals from the quarters so that you know that we have, indeed, heard them. We will consider and crystallize some of those amendments to be included in this Bill.

This Bill is moving us forward in terms of the tax system. I know hon. Members will have issues with the management of Kenya Revenue Authority (KRA). Those are the same issues that came from the public sector in terms of administration. Even if we changed the system and the culture is not changed, we might not really achieve much. From many stakeholders, we heard that KRA must also pull up its socks in terms of efficiency and fairness.

The VAT Bill is going to ease, for example, the issue of appeals. We are going to transfer most of the appeals related to VAT to another tribunal which is coming. I have already tabled that for Second Reading, that is, the Tax Appeals Tribunal Bill. This will help us deal with appeals in a more fair and objective manner. If you look at the current system, it is the Commissioner who enforces, hears and gives rulings. This has been an unfair system to the taxpayer. For now, the appeals will come through the Tax Appeal Tribunal system which comprises of objective persons.

We are trying to minimize the complexity--- There are people who have come and said that they need to take care of the benefits that the current Act provides. We are considerate. We have transitional provisions so that if there were few benefits in terms of investors, we can save those ones in this Bill for, say, three or four years.

Generally, this Bill is a very good one. It is moving us forward. We are in agreement that we need a few amendments so that sections of society that are not comfortable are comforted and the Government is given money. You know the issue of tax. I was telling some of the stakeholders that the best thing in life is to be told that you should not pay taxes. Even hon. Members here would be very happy to hear that. That is the best and ideal situation for a human being. However, for a civilized society, we need the taxes so that our country can have infrastructure, security and so many other things.

These proposals here are good for our country. What we are simply saying is that we cut off money from those who are able and we take the money to those who are less able in terms of building infrastructure. We will continue sustaining the Free Primary Education and the Free Secondary Education. We must support this Government with revenue and then put it to task after sometime. We will ask them: "You requested for this and we gave you this amount. Did you do it or not?" That is the business of this House. Let us pass this Bill with the understanding that we will agree on the basic amendments in areas that touch the poor.

Let us support this Bill so that we move this country forward. With those few remarks, I want to call upon hon. Francis Njenga from Gatundu North to second the Bill. I beg to move.

Hon. Njenga: Thank you, hon. Temporary Deputy Speaker. I stand to second this Bill. I have interacted with this Bill as a member of the Budget and Appropriation Committee and also as a member of ICPAK.

No country can develop without raising revenue cheaply, efficiently and effectively. I have also been in practice as a certified public accountant. I was an auditor and I have read through the revised VAT Act, 2003. One of the salient features that I have noted is the reduction of the zero-rated goods. The Government and even KRA do not have resources and ability to confirm the input taxes that are claimed on zero-rated goods.

By this I mean that people dealing in goods that are not going to be VAT rated are given by the Act a chance to claim the input tax they have suffered. Since there is no capacity we have seen cases where rampant corruption has taken place and the KRA lost a lot of money. This is preventive as well as futuristic. This shifts the benefit from the Government to businesspeople. With the amendment that has been proposed this is going to be a wonderful Bill and later on an Act of Parliament.

The same Bill aligns itself to the Constitution which we passed. You can read Article 201 of the Constitution. Previously Ministers could exempt people from paying VAT on capital and investment goods. We do not know when we will have a rogue Minister who will be doing things wrongly. This closes a loophole; even the President and security institutions will have to pay VAT. This will help us raise more revenue.

I am also inspired by the reduction of the categories of VAT to three. Previously they were four, which is 12 per cent, zero per cent, 16 per cent and the exempted category. This Bill removes the 12 per cent category. We now have the zero per cent, the 16 per cent and the exempted category. That is a plus. This will reduce corruption. As I said the KRA might not have the machinery to do a thorough and in depth audit and determine what is what in what category.

This Bill reduces corruption. We know corruption is rampant in this country. Some of us have been in systems and have seen corruption and so we know where it is. By reducing the period in which you can claim the VAT input from 12 months to only three months you actually reduce the period for people to team up, manipulate records and raid the Government through bad behaviour, which we are trying to fight, so that we assist our people.

Use of technology is important in order to reduce the bulk of work at the KRA. This is the only revenue that the Government can generate. All over the world, VAT is growing at a faster rate. The world is moving towards that. This is one of the taxes that can be collected at the cheapest cost. As the Chairman of the Committee on Finance, Planning and Trade has said, once we get the system improved we will be able to collect this tax within the shortest time possible and realize Vision 2030 and other dreams that we have for this country.

If you look at the 2003 revised version and the proposed one of 2011 you will realize that there are a lot of essential things that were excluded, for instance medicine and medical equipment. I believe it is high time we took these back to the zero-rated category. This is because we need to have a healthy nation. We need a working nation that is healthy. Medicines should be zero-rated. Since we have been given a blank cheque to do the necessary amendments, I believe this will be beneficial to this country.

On processed milk and milk products, I believe we are going to zero-rate them, so that we put everybody at the same level; the rich, poor, leaders and all. Zero-rating of products such as *unga* will be benefiting our people.

Agricultural inputs, insecticides, pesticides, fertilizers and such things need to be zero-rated. This will translate to a cheaper cost of production, which will translate to cheaper prices and competitiveness within the region. That way, our people will access food. I suggest that animal feed and electrical goods fall into this category. It is high time we included sanitary pads in this category. It is not anybody's wish to be born a lady.

Let us talk about computers. When the Jubilee Government promises that it will give computers to our children, I believe that computers are very necessary because we need to do things efficiently.

I second this Bill and urge everybody in this House who would like to see our infrastructure improve, and our country increase the revenue allocated to the youth support this Bill. Let us propose amendments to this Bill that will benefit our people.

Thank you, hon. Temporary Deputy Speaker.

(Question proposed)

The Temporary Deputy Speaker (Hon. Kajwang'): Hon. Members, we would like to have a nice debate on this very important Bill. We do not have much time in our hands today. If any of you does not get time--- I do not want to reduce the 10 minutes that you have. If you do not have time to speak on this Bill, you will do so on Tuesday.

Yes hon. Chrisanthus Wamalwa

Hon. Wakhungu: Thank you, hon. Temporary Deputy Speaker. I rise to vigorously oppose. This VAT Bill was introduced in the 10th Parliament and it was vigorously opposed. It was rejected in totality. In every country we talk about production. The economy of this country is agricultural-based. If you say that you are going to increase VAT on agricultural inputs it means that production cost is going to be high. It goes without saying that the output price will be very high to the consumer. We have heard many times that the wage bill is high. When we try to increase the prices of basic goods, are we increasing salaries? We have just seen the case of the Teachers Service Commission and the teachers who have been striking. If at all we are going to increase the cost of production, life is not going to be affordable.

I was watching my colleague move the Bill and hon. Njenga seconding it. Since they are my friends, I was looking at their body language, which definitely showed that they were not for the idea they stated.

Hon. Temporary Deputy Speaker when it comes to sanitary towels, for example, there is discrimination. If one was born a female, it was not her wish---

The Temporary Deputy Speaker (Hon. Kajwang’): Members, it is our duty to debate what is very necessary. We want to have a very good debate on this Bill because it is a national issue. Can you proceed?

Hon. Wakhungu: Thank you. When it comes to sanitary towels, taxing them because they are used by ladies, is tantamount to discrimination which is contrary to our Constitution. This Bill needs to be rejected in totality. The amendments that they have said are only basic are not basic. It is almost the entire part of it. We are trying to debate them right now, but they have not yet even provided the documentation, so that Members can debate them from an informed perspective.

Hon. Temporary Deputy Speaker, you say that you are taxing medicines and antibiotics, but 50 per cent of infections---

Hon. Langat: On a point of order, hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Kajwang’): I will allow you only if you tell me which Standing Order you are rising on.

Hon. Langat: Hon. Temporary Deputy Speaker, I just wanted to clarify to him that I tabled the report of the Committee. So, he is not right. He is misleading the House.

The Temporary Deputy Speaker (Hon. Kajwang’): Order. Can you be orderly? We have agreed that if you are going to rise on a point of order you will quote the Standing Order under which you rise, so that we have some order in this House. Please, go on Chris.

Hon. Wakhungu: Hon. Temporary Deputy Speaker, Sir, as you can see the Mover could not even cite which Standing Order he was rising on.

(Laughter)

Hon. Temporary Deputy Speaker, Sir, I was talking about medicines. Medicine is something very critical. When you go to rural health centres, you will see poor Kenyans dying, and you come here and talk of putting Value Added Tax on antibiotics. Antibiotics contribute about 50 per cent of cost of treatment. For any slight infection, you are talking about using antibiotics. By saying that you want to put VAT on antibiotics, it is like giving patients death sentences. People are in beds in hospital and they cannot afford medication, then you come here and say that we want to use expenditure approach and collect more tax revenue? This one cannot work.

Hon. Temporary Deputy Speaker, it is common sense; when it comes to blood transfusion it means you are in the intensive care unit (ICU). It means you are in that critical condition and here you come and say that you want to raise VAT on blood transfusion. The former President, His Excellency Mwai Kibaki, said this: "We must be a working nation and to be a working nation we must be a healthy nation." We respect the Jubilee Government and the good manifesto they put in place. You want to introduce free maternity care and at the same time you say that you are introducing VAT on medicines, it defeats the purpose! Look at the number of patients compared to the number of mothers who deliver and you will see that it is common sense that the people who want maternity services are very few.

Hon. Temporary Deputy Speaker, Sir, on the issue of flour, every Kenyan uses flour. The Mover again mentioned that the people in urban centres are the ones who use flour, but it is people in rural areas who use it more.

Hon. Chepkong'a: On a point of order, hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Kajwang'): Hon. Mr. Samuel Chepkong'a on a point of order.

Hon. Chepkong'a: Thank you, hon. Temporary Deputy Speaker. You know, of course, hon. Wamalwa is a very good friend of mine but he is persisting. I know you are a stickler of rules, and I appreciate that you are in my Committee. I will also give you weighty points.

The Temporary Deputy Speaker (Hon. Kajwang'): For the time being, this is the Chair.

(Laughter)

Hon. Chepkong'a: Yes, for the time being. In fact, I acknowledge that and I am aware of it. In fact, I am very proud that one of the members of the Committee is an acting Speaker of this House.

On a more concrete note, I rise on a point of order under Standing Order No.83, as read together with Standing Order Nos.106 and 107. Is it in order for hon. Chris Wamalwa to mislead this House and raise unsubstantiated arguments here that the price of medicine, which is highly subsidized in Government medical facilities will go up because VAT will be added to it when he knows---

The Temporary Deputy Speaker (Hon. Kajwang'): Order, hon. Chepkong'a! Let me interrupt you. The reason why we tie you to your Standing Orders is to know whether you are relevant. I am looking at Standing Order Nos.106 and 107 and I do not see the basis on which you can claim to rise on a point of order or to say that someone cannot substantiate his claims. Standing Order 106 is on irrelevance. Standing Order 107 is on gross disorderly conduct. So, unless there is something I am unable to see very clearly, I will rule you out of order and allow hon. Chris to proceed.

Hon. Wakhungu: Thank you, hon. Temporary Deputy Speaker. This is a House of rules. I respect my brother, hon. Chepkong'a. Please, allow me to continue. This is for the benefit of your constituency and you know you are my neighbour.

Hon. Temporary Deputy Speaker, Sir, the subsidy by the Government he is talking about is not available on medicine. When you talk about health delivery in this country, the Government contributes only about 40 per cent. I want my friend, hon. Chepkong'a, to understand that. I am saying that because---

The Temporary Deputy Speaker (Hon. Kajwang'): No, address the National Assembly of Kenya.

(Laughter)

Hon. Wakhungu: Thank you. When you go to Kenyatta National Hospital (KNH) today you will get a prescription. A prescription tells you that for the ailment you have you need to buy these drugs. Most of these Government facilities do not have medicine. We are not going to wait.

Hon. Langat: The former Government.

Hon. Wakhungu: No, even the current Government. I was in my constituency. I went to the district hospital and there were no medicines. You are given a prescription and you go and buy drugs from private pharmacies. So, if we introduce VAT when it comes to medical equipment and medicines, you will be sending patients to death chambers; this one must be objected strongly.

Hon. Temporary Deputy Speaker, Sir, as an academician and scholar, when you look at this they say they are going to put VAT on journals. Journals are very critical in the academics, and as far as research is concerned. If you are trying to put VAT on academic journals, for instance, you are going to make Kenyans not to access knowledge and knowledge is very critical. To make it worse, they want to put VAT on exercise books. This is not acceptable. You do this and you give Free Primary Education (FPE). We have private schools in this country. Not everybody benefits from the FPE. Can you ask yourself: What percentage of the people get FPE? By saying that exercise books will attract tax, you are not being helpful to Kenyans.

Hon. Temporary Deputy Speaker, Sir, they have talked of complexity. Before you make a decision, you do a cost benefit analysis. You cannot do a cost benefit analysis basing it on complexity, yet you are increasing the cost of the standard of living for Kenyans. They will not afford the cost of living. Affordability is going to be a problem. Again, when it comes to consultation with stakeholders, you did not even mention whether you have had a chat with the Central Organisation of Trade Unions (COTU). COTU is very critical.

It would have been nice for them to talk to the Kenya National Union of Teachers (KNUT), who have been having problems with allowances, to see what their take was. They have not done enough consultation with the stakeholders. What we are seeing is that they talked to KEPSA and ICPAK. It will be good for us to see reports on what these stakeholders have said. When it comes to affordability, it is going to be a big problem. We know that a poor voter in Kibera, Korogocho or in my village uses paraffin to cook. We know very well that we have been using firewood to cook but we do not have trees any more. So, kerosene is the basic commodity that people use. If you go to the village and tell them that we will tax kerosene, they will not accept it. The living standard will be very high and Kenyans will not afford this commodity. I want the Mover - as in the Bible, Saul on the way to Damascus became Paul - to look at the interests of Kenyans and withdraw this Bill in totality.

Hon. Temporary Deputy Speaker, Sir, it is very painful to see that flour will also be taxed. The same applies to maize. I had respect for hon. Benjamin, but I do not know what happened.

(Laughter)

I am getting embarrassed because he is a very good friend of mine. In this case, I call upon this House to oppose the VAT Bill in totality. We should reject it the same way the 10th Parliament rejected it.

Thank you, hon. Temporary Deputy Speaker, Sir. I oppose this Bill.

The Temporary Deputy Speaker (Hon. Kajwang’): Thank you. Hon. Members, he had 15 minutes because he is the Whip. Hon. Manson Nyamweya, you only have 10 minutes to speak. However, you can be generous to your colleagues if you do it in a shorter time, so that one or two Members could have a chance to contribute.

Hon. Nyamweya: Thank you, hon. Temporary Deputy Speaker, Sir. One thing I want to share with the House is that the main purpose of taxation anywhere in the world is to better the lives of people. The main reason why anybody pays tax in the world is to have a better living standard.

I want to go back to the Constitution. Article 201(b)(i) on public finance says:-
“the burden of taxation shall be shared fairly”.

This will enable all Kenyans to contribute. This is because the purpose of taxation is to get financial means, so that all Kenyans may enjoy it.

I want to oppose this Bill the way it is, because it does not meet the requirements of the Constitution, which are very clear that any tax system which is put in place should take into consideration the poor and rich and tax them fairly.

Hon. Temporary Deputy Speaker, Sir, what this Bill has done is to impose penalties on Kenyans; what this Bill has done is to make the poor pay more on taxation; what this Bill has done is to allow the rich to enjoy without paying tax. What am I saying? Property has been excluded from this Bill. Who should pay tax? Is it the girl who wants sanitary towels? If we pass this Bill, we are saying let the young girls pay tax for the sanitary towels. We need to collect tax from them. We have to collect tax from the poor person in Kibera, so that we can build roads.

My friend, hon. Benjamin, has said that he will bring amendments to this Bill. Why can he not withdraw this Bill and bring a clean Bill which will not be amended?

(Applause)

He should bring a Bill which all of us will support. I want to share one thing with him. The problem is not the Bill but the administration. I want hon. Members to listen to this. I want you to go to River Road, Tom Mboya Street, come to Kenyatta Avenue and look at the items that are in the shops today. I want to give one example of textile. Our country has become a dumping ground for substandard cheap products. I would like to ask one simple question. What is happening with KRA?

We have one common tariff for the Government to collect taxes. They have put rules on which items can come to Kenya. I support free trade but go and check, you will buy shoes from the market today and before you walk for one kilometre they are torn. Kenyans pay for that. This is the case yet we have somebody in the KRA who is supposed to check on quality. What are the procedures to be followed when one imports goods?

First of all, they must meet some set standards before they are allowed into the country. The Kenya Bureau of Standards (KEBS) participates so that the quality of goods which come into this country meet the standards to avoid being taken for a ride.

If you walk in the streets of Kenya be it in Kisumu, Mombasa, Eldoret or Kisii, you will find that this country is full of cheap sub-standard goods. That is why the Commissioner-General of the KRA can say gladly that duty is coming down. I want him to tour towns. It is not smuggling because these are people who are registered and sell items in the market.

My colleagues, Members of Parliament, let us tour this country to check the items which are sold. This country has become a dumping ground. It is making a few people rich at the expense of Kenyans. If this Government is serious in collecting tax from the goods that come into the country, it will get enough money. Bring an amendment which we will pass. There is nothing wrong with the old law. What is wrong is the systems we have in this country.

If you go to Tom Mboya Street, you will find that it is extending to this side. Stalls have been built. Do you know what happens? People pay money every day in the morning. Before the shop is opened, you pay because business is very risky and you may not sell anything. That has been in existence because we are trying to make a few people rich in this country at the expense of everybody else. Some people are sleeping and they want an easy method of collecting revenue. They say that it is easy to get money from the sick and so impose tax on medicine. They also say that it is easy to get money from food because everybody must eat. So, they impose VAT on food because people will continue eating and drinking in this country.

Hon. Temporary Deputy Speaker, Sir, I love this country. Kenyans are hard working and they want to pay their taxes. I plead with this House and the Executive to tour the country to understand that there is no revenue that is being collected. How did these goods enter the country? They have no certification and have no name of where they were made. This is a requirement if you are importing goods. However, these goods are all over the country.

Basically, there is nothing wrong with the old VAT law which we had. What is rotten is the system. Even if you pass this Bill in this House and the same system is there, will it change? First and foremost, we need a reformed KRA. I cannot blame the Cabinet Secretary for the National Treasury because he is new in that office. However, we need change and we need this country to collect tax, so that it can benefit the people it is intended to benefit. That is why I plead with the Member who has moved this Bill; please take it back and bring a clean Bill.

We want to support this Government to succeed. We also want everybody to pay tax. There is a circular I want to refer to. It is very interesting if you read it. That is in the last part of this Bill. It is Part IX. It talks of supporting protective clothing accessories and equipment. You seek exemption for goods. Do you know what protective clothing is? That is dust or rain coats, equipment and ambulance wear, yet you cannot allow medicine to be tax-exempt. Are we honest? Are we working for the common good of this country, Kenya, which we love?

Hon. Members, the best thing we can do---

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Kajwang’): It is all right, hon. Member. This Bill is very exciting. I have many requests but unfortunately I have to interrupt the debate because our time for this sitting is up. Hon. Manson, you will have your two minutes left on Tuesday, next week. Please be here to contribute.

Debate on this Bill is interrupted until Tuesday when it will resume. Therefore, the House stands adjourned until Tuesday, 30th July, 2013, at 2.30 p.m.

The House rose at 6.30 p.m.