

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 11th November, 2004

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

PAPERS LAID

The following Papers were laid on the Table:-

The Departmental Committee on Administration, National Security and Local Authorities Report on the fact-finding visit to the Meru GK Prison in Eastern Province.

The Departmental Committee on National Security and Local Authorities Report on the fact-finding visit to the Department of Immigration Head Office, Regional Office in Mombasa, Lunga Lunga Border Control and Shimoni Seaport in Kwale District.

*(By the Chairman of the
Departmental Committee on
Administration, National Security
and Local Authorities (Mr. Mwenje))*

Mr. Deputy Speaker: Very well! Mr. Kagwe not here?

Mr. Mwenje: Mr. Deputy Speaker, Sir, I beg to give notice of the following Motions:-
THAT, this House adopts the Report of the Departmental Committee on Administration, National Security and Local Authorities---

Mr. Deputy Speaker: Order, Mr. Mwenje! The Motion which you want to give notice of has not yet been approved! I propose that the Secretariat of that Committee should forward it to the Clerk of the National Assembly for approval before you give notice.

Mr. Mwenje: Most obliged, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Thank you.

Next Order!

ORAL ANSWERS TO QUESTIONS

Question No.231

ASAL Classification for
Northern Meru Grazing Zone

Mr. Munya asked the Minister of State, Office of the President:-

(a) why the Northern Grazing Zone in Meru North District is excluded from programmes meant to assist arid and semi-arid lands (ASAL); and,

(b) whether he could ensure that the zone is classified and accorded the same benefits as other ASAL areas.

The Assistant Minister, Office of the President (Dr. Machage): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The Northern Grazing Zone in Meru North District is not included in the ASALs Resource Management Project No.2, alongside other districts with pockets of aridity.

(Mr. Awori was applauded as he entered the Chamber)

The project was unable to cover all the districts with aridity due to limited finances. The second phase of the project was designed to cover 11 arid districts on all its three components; that is, natural resource and health management, community-driven development and support to local development, and 10 semi-arid districts. The design of this phase was based upon a set of prioritisation process, which included the severity of the 1999/2000 drought.

(b) The Northern Grazing Zone of Meru is already classified as an ASAL area. The Government is in the process of developing a "Marshal Plan" and will solicit for donor-funding to assist all the ASAL districts, including the Northern Grazing Zone of Meru North District.

Mr. Munya: Mr. Deputy Speaker, Sir, first of all, the Assistant Minister has not given me a copy of the written answer. Secondly, he seems to contradict himself. Part "a" of his answer says that Meru North District is not included in the ASAL programmes because of lack of funds, while part "b" of his answer says that it is included. I am confused. I do not know which answer I should take. Could he answer the Question properly before I ask a supplementary?

Mr. Deputy Speaker: Mr. Munya, could you ask the Assistant Minister a supplementary question?

Mr. Munya: Mr. Deputy Speaker, Sir, the first question has not yet been answered.

Mr. Deputy Speaker: I think I heard the Assistant Minister answer your Question. If you do not want to ask him a supplementary question, I will give this chance to someone else.

Mr. Munya: Mr. Deputy Speaker, Sir, is Meru North District included in the ASAL programmes, particularly the Northern Grazing Zone which borders Isiolo District? We have schools in that district which experience the same climatic conditions with Isiolo District, but they are not covered by the ASAL programme. Could the Assistant Minister answer that question?

Dr. Machage: Mr. Deputy Speaker, Sir, it is not my mistake that the hon. Member does not understand English!

Mr. Angwenyi: On a point of order, Mr. Deputy Speaker, Sir. You have heard the Assistant Minister say that Mr. Munya does not understand English, and yet I know that every hon. Member who is here qualified in English and Kiswahili before he was cleared to contest for the parliamentary seat. Is he in order to say that? In fact, Mr. Munya is a lawyer! Could the Assistant Minister substantiate his remarks?

Mr. Deputy Speaker: Order, Mr. Angwenyi! Could you sit down? Mr. Assistant Minister, the remarks you have made against the hon. Member are not proper. Could you, please, withdraw and apologise?

Dr. Machage: Mr. Deputy Speaker, Sir, I withdraw those remarks and apologise to the House. However, I will repeat my answer in simpler English.

(Laughter)

The Meru North District is not included in the Phase II projects we are implementing, but it is included in the ASAL region.

Mr. Chepkitony: Why can the Ministry not expand the programme so that other ASALs are not left behind, such as Meru North District and Kerio Valley?

Dr. Machage: It is true that there are many semi-arid areas that would have fitted very well into this programme, but due to the limitation of funding, we have had to do that. But we have Phase III, and if you can remember, we started with Phase I, which only included five districts. Phase II is going to take 21 districts, while Phase III is likely to expand even further. Maybe, even Kuria District might be included.

Mr. Muriungi: Can the Minister tell us about the projects which he intends to include in the "Marshall Plan" which he has talked about? Although Meru North District is not included in the ongoing projects, could he tell us when he intends to include this district in the next phase?

Dr. Machage: I really cannot pre-empt now which projects I will include when that time comes, but let it be known that the Arid Lands Resource Management Projects is a community-based drought management project, and all programmes that are addressed towards that goal will be considered.

Mr. Deputy Speaker: Last question, Mr. Munya! Ten minutes have already elapsed.

Mr. Munya: Mr. Deputy Speaker, Sir, the Minister himself, not this particular Assistant Minister, but his senior, announced on the Floor of this House that Meru North is now part of the ASAL programmes. We have been waiting for those programmes to commence there, but now we are realizing that it is just a business of classification. We have schools in the district that border Isiolo and which are closing down because, just across the road, schools in Isiolo have a feeding programme and other programmes that are assisting the schools to survive, while just across the road, other schools do not have any such programmes. So, students have to cross over to run to those other schools. Could he assure this House that all citizens of Kenya who are living under the same conditions are treated the same? He should specifically assure this House that within the shortest time possible, those programmes will start, especially in that zone, before they spread to the other zones?

Mr. Deputy Speaker: Mr. Munya, when you ask a question, please, let the Assistant Minister answer it!

Dr. Machage: Mr. Deputy Speaker, Sir, there will always be a district next to an ASAL district. Even Kuria District is next to Trans Mara District, and we do not have the same complaint. Anyway, I have noted your concern and I will consider it.

Mr. Deputy Speaker: Next Question, Mr. Onyancha!

Question No.906

TERMINAL BENEFITS FOR CONSTABLE
JOHNSON NYAATA'S FAMILY

Mr. Onyancha: asked the Minister for Finance whether he could explain why the family of Police Constable Johnstone Nyaata (Force No.54574) who died on 17th March, 2000, has not been paid his terminal dues.

The Assistant Minister for Finance (Mr. Katuku): Mr. Deputy Speaker, Sir, I beg to reply. The claim will be settled once it is lodged and received in the office of the Director of Pensions. It is the responsibility of the family of the deceased to lodge the terminal benefits claim by collecting and filling the relevant forms from the office of the Director of Pensions. This has not been done.

Mr. Onyancha: Mr. Deputy Speaker, Sir, Police Constable Johnstone Nyaata is a policeman who served this country faithfully until he died four years ago. His father, who is very old, has lodged a claim for the benefits of his late son. How many times does the Ministry expect this old man to lodge this claim before he is paid?

Mr. Katuku: As I have stated in my written response, I have not received this claim, but I have gone further to write to the Office of the President requesting them to get in touch with the next of kin so that we can assist this old man. But if the hon. Member has any information which is contrary to what I am saying, I will be pleased to have that information and then cross-check it.

Mr. Deputy Speaker: Last question, Mr. Onyancha! You have heard what the Assistant Minister has said.

Mr. Onyancha: Mr. Deputy Speaker, Sir, I am not surprised because the force number given here is wrong. So, can you urge the Assistant Minister to do proper research, because the force number is 54514 and not what appears on the Order Paper.

Mr. Katuku: All right, is that the question?

Mr. Onyancha: So, would the Assistant Minister, therefore, go back and check the correct position and ensure that Constable Johnstone Nyaata's family is paid?

Mr. Katuku: The hon. Member initially said that they have lodged a claim. In the interest of assisting this family, I would like to appeal to the hon. Member to come to my office or to send the next of kin to my office so that we can follow up this matter. We do not have any information and it is the responsibility of the claimant to fill the forms and bring them to me, to my office or to my officers. So, if the hon. Member has any information, including the force number, then let him take up the matter with my office.

Mr. Deputy Speaker: Mr. Onyancha, why do you not do that? It is simpler for you to present the claims on behalf of the old man. Why do you not do that?

Mr. Onyancha: I am much obliged, Mr. Deputy Speaker, Sir. But I do not know if all the relatives of Kenyans who die under these circumstances will be able to do this every time---

Mr. Deputy Speaker: But, Mr. Onyancha, we are talking of this particular person and not all Kenyans. I think the Assistant Minister gave you the right answer.

Next Question by Mr. Kembi-Gitura!

Mr. Kembi-Gitura: Thank you, Mr. Deputy Speaker, Sir. Before I ask my Question, I would like to state that this Question had come up last Tuesday but one, and a correction was made to the figure of Kshs1.6 billion to Kshs16 billion. Now, the Question is correct on the Order Paper, but the written answer is for a Question which is based on Kshs1.6 billion. I would like to have an assurance from the Assistant Minister that---

Mr. Deputy Speaker: Let us, first of all, hear---

Mr. Kembi-Gitura: Please, what I am saying is that before he answers the Question, because I have his written answer, I want an assurance the answer will be the same even if it is Kshs1.6 billion as opposed to Kshs16 billion.

Question No.821

REDUCTION OF EXPENDITURE ON
STUDENTS IN FOREIGN UNIVERSITIES

Mr. Kembi-Gitura: asked the Minister for Education, Science and Technology, considering that Kenya sends out of the country an average of Kshs16 billion per annum to educate students in foreign universities and particularly in Britain and America, what strategy does the Government have to stem the outflow of so much

money which could otherwise be used to improve our educational standards.

The Assistant Minister for Education, Science and Technology (Dr. Mwiria): Mr. Deputy Speaker, Sir, I must first indicate that I was not here on Tuesday when he asked the Question, but I appreciate the correction that he has made.

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

Yes, I am aware that a number of Kenyans are undertaking studies abroad, and I am also aware that it is expensive. The Ministry has, however, put in place several measures designed to address access to quality university education, which has resulted, as far as we are concerned, in a marked and steady decline in demand for foreign universities and a reduction in the number of students who come to us for clearance in order to go overseas. Some of these policy measures include:-

(i) Policy priority to expand opportunities for university education to all deserving Kenyans. In this regard, the Government has sought to expand available places in public and private universities. In public universities, this has been done by encouraging the universities to intensify the use of existing facilities.

(ii) Introduction of Module II (parallel degree programme) where approximately 25,000 Kenyans are registered, in addition to the 40,000 or more Kenyans who go through the regular programmes.

(iii) The introduction of specialized programmes that are demand-driven, for example, degree programmes in hospitality and mass communication.

Mr. Deputy Speaker: Mr. Assistant Minister, you are answering a Question!

Mr. Kembi-Gitura!

Mr. Kembi-Gitura: But he has not finished answering!

Mr. Deputy Speaker: Did you get anything?

Mr. Kembi-Gitura: No, he has not finished answering. I have a written answer and he was still reading it.

The Assistant Minister for Education, Science and Technology (Dr. Mwiria): Yes, I was reading the answer, but I have basically given some ideas of what is happening, and he has got the written answer. So, I do not have to read all the measures that the Ministry is taking here.

Mr. Kembi-Gitura: But the answer is not for me alone! The Question is the property of the House and they do not have the answer.

Mr. Deputy Speaker: Indeed, the Question is the property of the House. So, Dr. Mwiria, could you give the answer to the House?

The Assistant Minister for Education, Science and Technology (Dr. Mwiria): Mr. Deputy Speaker, Sir, I have spoken about the modular programme, the introduction of specialised programmes to attract more students, flexible system to allow students to be able to carry out their credits or enrol when they have the resources, and encouraging the establishment of additional quality-oriented private universities, affirmative action programme to support enrolment of more women and especially disadvantaged communities, and coming up with distance education programmes that will also encourage expansion of opportunities.

Mr. Kembi-Gitura: Mr. Deputy Speaker, Sir, in November, 2003, the Minister for Education, Science and Technology, Prof. Saitoti, while addressing a workshop, said that Kenya is sending out about Kshs15 billion every year in school fees for our children abroad. This is a colossal sum of money by any means. We must, therefore, get to the root cause of this. It is quite obvious that even as the Minister is talking about private universities in Kenya, they are all foreign-owned. We do not have a single locally-owned private university. This issue has been raised severally by the Kenya Private Schools Association, as to whether the Government can establish a revolving

fund to enable Kenyan entrepreneurs to consider improving and properly establishing high schools and universities so that our children can lean here, instead of going abroad, and, therefore, save so much money in foreign exchange for our country.

I notice that the Assistant Minister has not said anything about so many of our professors and lecturers who have gone out of our country because of poor pay, for instance. So, I want to know if the university lecturers, for instance, were paid properly, does the Assistant Minister consider that to stem the brain drain out of our country and that way, more of our children would want to learn here, and that this country would save a lot of money in form of foreign exchange?

Dr. Mwiria: Mr. Deputy Speaker, Sir, I appreciate the point that the hon. Member has made. But let us also appreciate the fact that the real reason for a lot of students seeking opportunities outside the country is not so much because our lecturers are not as well paid as we would like, but because we do not have adequate opportunities. I think what we should be thinking about, especially now that we are thinking of improving the terms and conditions of university lecturers, and we have already done that, is to see how we can expand opportunities locally. I agree absolutely that we should support local entrepreneurs. But they must establish universities that are of quality standard, because we do not want our children to also go to universities for the sake of it. So, we shall encourage entrepreneurs. But also, we shall encourage a system of expanding the facilities that we already have in our public universities.

Prof. Oniang'o: Mr. Deputy Speaker, Sir, the Assistant Minister has not answered this Question. The fact of the matter is that most Kenyans who send their children overseas for education can ill-afford it. The facilities in our public universities, especially for science and technology, are in a deplorable state. Could he tell us what he is trying to do if he intends to industrialise this country through education? How much of this money can actually go to improve the educational facilities in our higher institutions of learning?

Dr. Mwiria: Mr. Deputy Speaker, Sir, I think Prof. Oniang'o has made two points. One, she has said that the students who go overseas cannot afford it. Well, that is interesting. I wonder how they afford to go there. The second point relates to how much we are investing in our universities to ensure that we respond to the needs of science and technology. Obviously, within our limits, we are trying the best we can to support our institutions, including secondary schools, to have adequate facilities to provide education of quality. This is going to take a bit of time. I agree absolutely that we have not done as well as we should, but we are certainly considering it, but remember that this money has to come from whatever we vote here in Parliament. As long as you support us to strengthen our universities, obviously, we are in agreement that we need to do much more than the case is currently.

Mr. Kimeto: Mr. Deputy Speaker, Sir, Kshs15 billion is quite a colossal sum of money. Could the Assistant Minister tell us who are the beneficiaries of this money?

Dr. Mwiria: Mr. Deputy Speaker, Sir, I wonder why hon. Kimeto is asking this. If you go to a shop to buy a product, who is the beneficiary? So, in this case, it is the private universities where the students go that benefit from this.

Mr. Kimeto: On a point of order, Mr. Deputy Speaker, Sir!

Mr. Deputy Speaker: Order, Mr. Kimeto! I have just given you an opportunity to ask a question!

Mr. Kembi-Gitura: Mr. Deputy Speaker, Sir, Kshs15 billion is a lot of money, more than we get from the IMF annually. Every one of a foreign student from Kenya studying in Britain is paying three times more than the British students pay in the same universities. This means that each student we have there is paying for at least two British students to study in their own country. If this is not exploitation, I do not know what it is. Is the Ministry willing to get into serious negotiation with the

Kenya Private Schools Association to see how best they can establish proper local universities so that our children are satisfied to be studying here?

Dr. Mwiria: Mr. Deputy Speaker, Sir, that point is very well taken. I would like to say that, as a matter of policy, we are encouraging that. But I would like to assure the hon. Member that we shall enter into serious negotiations with whichever provider of education, especially university education, that is interested in this thing, as long as we live within the limits and boundaries that are allowed. But, certainly, I think it is a good point, and the Minister will aggressively do that, and, maybe, two years from now, we should be challenged as to whether or not we did something about it.

Question No. 765

DISPOSAL OF NYAYO TEA ZONES
TO KTDA FACTORIES

Mr. Deputy Speaker: Is Mr. Wambora not here? We will leave his Question until the end. Next Question.

Question No.817

MEASURES TO IMPROVE COFFEE QUALITY

Mr. Manoti asked the Minister for Agriculture what steps he is taking to improve the quality and quantity of coffee which has been on a downward trend.

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

I agree that coffee has experienced a decline from 128,926 metric tonnes in the year 1987/88, to as low as 52,000 metric tonnes in the year 2001/2002. However, production has started showing an upward trend because in 2002/2003, production reached 55,000 metric tonnes, and is expected to reach 60,000 metric tonnes in the year 2003/2004.

The decline can be attributed to the following facts:- Low prices in the world markets, high cost of production due to high cost of inputs, irrigation, electricity and poor infrastructure; lack of suitable and affordable credit packages and high cost of borrowing, inefficiencies at the pulping stations, leading to high primary processing costs.

The Ministry of Agriculture has taken the following steps in order to reverse the trend. The Ministry has initiated reforms and new policies as spelt out in the Sessional Paper No.2 of 2001 on liberalisation and restructuring of the coffee industry, and enacted the Coffee Act of 2001, both of which focused on introduction of greater efficiency at all levels of coffee production, processing, marketing, payment systems and research.

Secondly, through support from the European Union, Coffee Research Foundation, Ruiru---

Mr. Deputy Speaker: Order! I want to plead with Ministers. Please, answer questions. So far, these answers have become almost essays. Please, we have a constraint of time. Can you wind up?

Mr. Kaindi: Mr. Deputy Speaker, Sir, in view of the problems facing coffee farmers in terms of quality and quantity, we have developed an inter-Ministerial Sessional Paper which will address many issues regarding improvement of the sector. The Paper addresses research and procurement issues, which are necessary inputs for the improvement of the sector.

Mr. Manoti: Mr. Deputy Speaker, Sir I thank the Assistant Minister for that good answer. Coffee farmers are underpaid. In the open market, a 50-kilogram bag of coffee costs US\$130, which translates to Kshs50 per kilogram. Sometimes, you will find a farmer being paid Kshs2 per kilogram. What will the Assistant Minister do to make sure that coffee farmers are paid, instead of a large share of their money being taken by middlemen?

Mr. Kaindi: Mr. Deputy Speaker, Sir, as a Ministry, we are considering reviewing the marketing systems of coffee from being auction-oriented to include direct sales. This will curb the problem of price fluctuations. In my view, this will free the coffee market to attract better prices internationally.

Mr. Muiruri: Thank you, Mr. Deputy Speaker, Sir. The answer by the Assistant Minister is totally misleading. The downfall of the coffee sector was caused by looting and mismanagement by the then monopoly, the Coffee Board of Kenya (CBK). This stands to be proved by the report of the Controller and Auditor-General in his audit of the CBK. The Assistant Minister has said that he will bring a Sessional Paper to this House. The Minister for Co-operative Development and Marketing has also promised to do that. Will the Assistant Minister assure this House that the Sessional Paper he will bring here will cater for all the debts incurred by farmers because they suffered the same fate as co-operative societies?

Mr. Kaindi: Mr. Deputy Speaker, Sir, I agree with the hon. Member that there was a problem of mismanagement at the CBK. However, the Sessional Paper I have was prepared by the Ministries of Agriculture, Co-operative Development and Marketing, Trade and Industry, Finance and the Office of the Attorney-General. As a matter of fact, I could share some of the issues in the Paper with the hon. Member, because we still need some extra input. We think that it has addressed comprehensively the issues that affect the coffee sub-sector.

Mr. Angwenyi: Mr. Deputy Speaker, Sir, it appears as if this Ministry is not serious about improving the quality and quantity of coffee. In order to improve the quality of coffee produced in Kenya, the Ministry must subsidise, in some way, the producers of coffee. It must see that the facilities used in coffee processing are improved. Could the Assistant Minister promise this House that he will subsidise our inputs, especially fertiliser, and improve the situation in our coffee factories?

Mr. Deputy Speaker: Hon. Members, please be precise with your questions. Hon. Ministers should also be precise with their answers.

Mr. Kaindi: Mr. Deputy Speaker, Sir, we should appreciate that one of the reasons we were incurring major costs in procurement of inputs was because we were going through middlemen. This Sessional Paper suggests that we establish a mechanism for procuring inputs directly, that is, without going through middlemen. That way, we will be able to lower costs of procurement. There are many issues involved in the production and improvement of quality and quantity of coffee.

Mr. Serut: Mr. Deputy Speaker, Sir, one of the reasons why coffee farmers are paid little money is because many institutions got involved in it. One of those institutions is the CBK. Now that it has no task to carry out apart from licensing coffee marketers, why can we not have it scrapped and its usual business transferred to the Kenya Planters Co-operative Union (KPCU) for purpose of regulation?

Mr. Kaindi: Mr. Deputy Speaker, Sir, that view has been considered. I do not want to concede to it. However, I want to say that when discussing this Sessional Paper, hon. Members will be at liberty to review and make alteration to it.

Mr. Manoti: Mr. Deputy Speaker, Sir, most of the coffee co-operative societies in the Kisii district have closed down because they do not have any coffee to process. What will the

Government do to assist these farmers to improve the sector in that area?

Mr. Kaindi: Mr. Deputy Speaker, Sir, as a Ministry, we have talked about developing a revolving fund, which will enable farmers to access cheap funds to improve their production by accessing good seeds. I believe that Kisii district, where the hon. Member comes from, is one of the areas which produce a lot of coffee. The area certainly stands to benefit from the new fund.

(Loud consultations)

Mr. Deputy Speaker: The next Question is by Prof. Olweny. Before the Prof. asks his Question, I request that hon. Members consult in lower tones.

Question No.138

RETIREMENT BENEFITS FOR
MR. JOHN YALO ODERA

Prof. Olweny asked the Minister for Livestock and Fisheries Development:-

- (a) whether he is aware that Mr. John Yalo Odera, P/No.11218, who retired from the Ministry about ten years ago has not been paid his retirement benefits;
- (b) what caused the delay; and,
- (c) what immediate measures he is taking for the retiree to get his benefits.

The Assistant Minister for Livestock and Fisheries Development (Mr. Dzoro): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) Yes, I am aware.
- (b) The delay in processing Mr. Odera's retirement benefits was occasioned by an appeal he made contesting the effective date of retirement. Secondly, upon the conclusion of his appeal case, further delay was occasioned by Mr. Odera's failure to furnish my Ministry with details of his bank account, where he wished his benefits to be paid into, as required.
- (c) Once the former officer furnishes my Ministry with details of this bank account, the pension claim will be immediately submitted to the Treasury for payment in the usual manner.

Prof. Olweny: Thank you, Mr. Deputy Speaker, Sir. I thank the Assistant Minister for that good answer. However, the fact that Mr. Odera has not furnished the Ministry with details of his bank account suggests that he does not have one, and did not have one even when he was in employment. He was, therefore, paid salary in cash. Why can the Ministry not pay him the same way today? Does he have to open a bank account to get his pension payment?

Mr. Dzoro: Mr. Deputy Speaker, Sir, I have stated the standard procedure used by my Ministry in pension payments. However, in view of the consistent failure by Odera to give his bank details, my Ministry is making arrangements to pay him his benefits through his nearest National Bank of Kenya (NBK) branch. I ask Prof. Olweny to advise Mr. Odera accordingly, and report with him to my office so that we can organise the whole process.

Prof. Olweny: Mr. Deputy Speaker, Sir I would like to know from the Assistant Minister when he expects his Ministry to release the payment.

Mr. Dzoro: Mr. Deputy Speaker, Sir, the hon. Member should ask Mr. Odera to report to our office, so that arrangements for the payment can be made immediately.

Question No.925

OWNERSHIP STATUS OF TELEPOSTA TOWERS

Mr. Abdirahman asked the Minister for Information and Communications:-

- (a) who owns Teleposta Towers on Kenyatta Avenue, Nairobi, and what its current market value is; and,
- (b) who funded the construction of the building and what the total construction cost was.

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

(a) Teleposta Towers is owned by the Teleposta Pension Fund following the vesting order, under the Legislative Supplement No.45 of 5th November, 1999, upon the split of the defunct Kenya Posts and Telecommunications Corporation (KPTC) in July, 1999. The current market value of the building is Kshs3,060,000,000 as valued by the Ministry of Lands and Housing on 17th April, 2003.

(b) The construction of the building was funded by the defunct Kenya Posts and Telecommunications Corporation from its inception in 1998 up to its transfer to the TelePosta Pensions Fund in July 1999. Thereafter, the Fund took up the financing of the construction. The total construction cost as at 8th May, 2003 was Kshs3,715,665,566.35. However, the building is not for sale.

Mr. Abdirahman: Thank you, Mr. Deputy Speaker, Sir. I am sure hon. Members were listening to the Assistant Minister's response. We can say that the difference between the current market value and the cost as at 8th May, 2003 is Kshs700 million. I wonder whether it is still incomplete. However, I would like the Assistant Minister to tell us the actual value of the land and the building today and what the rental income is per annum. Could we get the breakdown?

Mr. Gumo: Mr. Deputy Speaker, Sir, I said that the building is not for sale. Why does he want to know the breakdown? Is he interested in buying the building? The difference in the value is because of the time it took to construct it and the fluctuation of the exchange rate of the Sterling Pound.

Hon. Members: How?

Mr. Gumo: Mr. Deputy Speaker, Sir, the construction of the building stalled for some time.

Mr. Abdirahman: Mr. Deputy Speaker, Sir, I am not asking for the reasons why we have that difference in terms of value. I am also not asking whether the building is on sale. What I am interested in is to get a breakdown of the value of the land, the building and income per annum. Should I ask for this in another language?

Mr. Gumo: Mr. Deputy Speaker, Sir, I do not have the breakdown.

(Laughter)

However, if I am given enough time, I will bring the breakdown to this House.

Mr. Deputy Speaker: Very well! The Assistant Minister has asked for time and I will defer this Question till Thursday next week.

(Applause)

(Question deferred)

Mr. Muturi: On a point of order, Mr. Deputy Speaker, Sir. Thank you for deferring the Question but could the Assistant Minister also give us the name of the valuer(s) when he brings the

breakdown? This is because we know some valuers who have been giving exaggerated valuations.

Mr. Deputy Speaker: The Assistant Minister has heard you.

Next Question, Mr. Korir!

Question No.890

DECENTRALISATION OF TLB SERVICES

Mr. Korir asked the Minister for Transport:-

(a) whether he is aware that the centralisation of services by the Transport Licensing Board (TLB) has caused immense suffering to the upcountry clients; and,

(b) what measures he is taking to decentralise TLB services for the good of its clients.

The Assistant Minister for Transport (Mr. Ligale): Mr. Deputy Speaker, Sir, I beg to reply.

I am not aware that the TLB has centralised its services, thus causing immense suffering to its upcountry clients. In fact, the TLB does not carry out its operations at centralised locations, but in all provinces and key district headquarters. People who purchase new vehicles can now acquire interim licences from the nearest Kenya Revenue Authority (KRA) offices in the out-stations.

In addition, several changes have been introduced at the Road Transport Department to facilitate quality service delivery and customer satisfaction. These include computerisation of records, authorising station officers to issue these interim licences and the use of security printed documents. The Department has put in place measures to ensure that customers are served in the quickest and most economical way.

Mr. Korir: Mr. Deputy Speaker, Sir, I am not satisfied with this answer. The Assistant Minister is very much aware that the TLB has been going round the country quite often, particularly to provinces, to issue licences. Therefore, the question of these services being found in district headquarters or provinces does not arise. The TLB itself goes round the provinces issuing these licences. He is not telling us the truth. This is a *jua kali* answer!

Mr. Deputy Speaker: Order, Mr. Korir! Will you withdraw that statement and apologise? There must be some decorum in the House. Will you withdraw that statement?

Mr. Korir: Mr. Deputy Speaker, Sir, I withdraw and apologise.

Mr. Deputy Speaker: Very well! Mr. Assistant Minister, what do you have to say about that?

Mr. Ligale: Mr. Deputy Speaker, Sir, I have stated that you can obtain these licences from any KRA office in the country.

Mr. Muriithi: Mr. Deputy Speaker, Sir, I do not think that we have received an adequate answer. I have a pick-up vehicle and I was unable to obtain a licence in Nyeri Town. I was told that the TLB was in Nakuru, and I had to wait until it came back to Nyeri. Why do they not decentralise their services?

(Applause)

Mr. Ligale: Mr. Deputy Speaker, Sir, currently, a person can get interim licences from KRA offices. However, we are making arrangements, and computerisation is in place now, to ensure that in the near future, officers will be posted to stations to process and issue all licences.

Mr. Billow: Mr. Deputy Speaker, Sir, the Ministry should concentrate not only on punitive action but also on improving efficiency. One of the areas of my concern is the weigh bridge on

Mombasa Road. If you drive on that road, you will get shocked at the hours that drivers spend lining up. Could the Ministry, as a matter of urgency, do something to improve the weigh bridge service? This will ensure that people save on the time they spend driving their lorries.

Mr. Ligale: Mr. Deputy Speaker, Sir, I will answer that question purely out of collective responsibility. Strictly, it falls under the Ministry of Roads and Public Works. Weigh bridges are operated by the hon. Minister for Roads and Public Works, but he has assured me that improvements are being made in the operations of weighing bridges. Soon that problem will be a thing of the past.

Mr. Deputy Speaker: Last question, Mr. Korir!

(Mr. Korir pointed at Mr. Mwanzia)

Order! You are not donating any time. If you have no question, just say so.

(Mr. Korir stood up in his place)

Order, Mr. Korir! You have no question; so sit down! The Chair will decide. Now the Chair has decided to give a chance to Mr. Mwanzia!

(Laughter)

Mr. Mwanzia: Mr. Deputy Speaker, Sir, I am not impressed by the answer given by the Assistant Minister. In fact, I am in this business. What the Assistant Minister probably has not understood is that---

Mr. Deputy Speaker: Order! Address the Chair! You are not communicating with someone else.

Mr. Mwanzia: I am sorry, Mr. Deputy Speaker, Sir. What the Assistant Minister has not understood is that to get a licence you have to apply to the TLB, and you have to appear personally. What he is saying is that they sit in different places and we have to follow them. We are requesting the Assistant Minister to appoint at least one of the board members to sit in each district so that it can be accessible to the people.

Mr. Ligale: Mr. Deputy Speaker, Sir, I have, in fact, said that they are not only going to sit in different locations, but that we are actually going to decentralise the services so that you do not have to wait for the board to sit there to get it.

Mr. Deputy Speaker: Next Question!

Question No.924

DISTRIBUTION OF MURANG'A
COUNTY COUNCIL ASSETS

Mr. Mbau asked the Minister for Local Government:-

- (a) whether he is aware that all the vital records and documents relating to Maragua and Makuyu town councils have never been removed from the parent Murang'a County Council, seven years after Maragua District was created;
- (b) whether he is further aware that the assets and liabilities of the said Murang'a

County Council were not distributed to the councils in a transparent manner; and,

(c) what measures he is taking to correct this situation.

The Assistant Minister for Local Government (Mr. Tarus): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am not aware.

(b) I am not aware.

(c) The Ministry is taking no measures.

Mr. Mbau: Mr. Deputy Speaker, Sir, you have observed the callousness which this Question has been subjected to. It is unfortunate that this amount of lapse of knowledge is evident in this House. I want to put it to the Assistant Minister that when Maragua District was axed out of the greater Murang'a District, it took a political decision and no objective assessment or analysis of the assets and liabilities of the existing greater district was taken. The decision was a one-talk decree. I want to tell the Assistant Minister that Maragua District, as we know it today, does not have what we can call a district lands registrar. We do not have records to refer to, and have had to refer to Murang'a District all the time.

How can the Assistant Minister come here and say that he is not aware and that he is not going to do anything? Could he inform us whether Maragua District exists or not?

Mr. Tarus: Mr. Deputy Speaker, Sir, if I heard the hon. Member very clearly, he is not addressing the Question which he asked. He is talking about the Provincial Administration while this is about county councils.

Mr. Muite: On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister who received this Question when the hon. Member submitted it, to come to this House and say that he is not aware, when after receiving the Question he should have made the necessary inquiries so as to come and inform this House in a meaningful manner?

Mr. Deputy Speaker: Order! More fundamentally is what the Assistant Minister has just said; that the Question relates to county councils, and what the hon. Member has just asked now relates to other issues outside Government, namely, land *et cetera*. Mr. Mbau, what do you have to say about that?

Mr. Mbau: Mr. Deputy Speaker, Sir, I am referring to the county council and the town council land. As far as I am concerned, it belongs to Maragua and Murang'a county councils. For instance, the area where the District Officer of Maragua Division was supposed to have put up permanent offices is not there and yet it is situated within the Maragua County Council. I am asking for records as to what happened to the land that was allocated to this division. Do I have to go to the Provincial Administration when I know very well that the division headquarters was supposed to be put up within the county council?

Mr. Tarus: Mr. Deputy Speaker, Sir, perhaps I can assist the hon. Member. When the Maragua and Makuyu Town councils were created, all the records pertaining to plots, staff and vehicles for Murang'a and Maragua county councils were taken to the respective councils. If the hon. Member is concerned about the problem of the DO, I think it would befit the hon. Member to put across a Question about that peculiar problem to the office of the Provincial Administration.

Mr. Gachagua: Mr. Deputy Speaker, Sir, I think the answer by the Assistant Minister is not fair to the hon. Member. Maragua County Council is a corporate body that can sue and be sued. What the hon. Member wants to know from the Minister clearly is what the Ministry has done since this exercise was undertaken, to make Maragua County Council a corporate body? That is a responsibility that belongs to the Ministry, and he cannot evade the question by blaming the Provincial Administration.

Mr. Tarus: Mr. Deputy Speaker, Sir, the question by the hon. Member is a better one. May

I make it clear that the Ministry organised a meeting for the sharing of assets and liabilities of the respective councils which was held on the 18th and 20th September, 2002. Maragua and Makuyu county councils were represented by their chief officers and councillors.

Mr. Sirma: Mr. Deputy Speaker, Sir, the case of sub-division of assets and liabilities in the various councils in this country is not only peculiar to Murang'a; it occurs throughout this country. Could the Assistant Minister give an undertaking to this House - so that we do not ask Questions every time - that he will constitute a committee to go round and solve all the pending cases of division of assets and liabilities in this country?

Mr. Tarus: Mr. Deputy Speaker, Sir, the committees have already been constituted. The only remaining part is the date for those particular meetings. I am sure that this will be done early next year.

(Mr. Musyoka was applauded as he entered the Chamber)

Mr. Deputy Speaker: Order! Order!

Mr. Mbau: Mr. Deputy Speaker, Sir, would I be in order to request the Assistant Minister to avail to me the minutes that prescribed the state of affairs of the meeting that undertook the decision with regard to the distribution of assets and liabilities of the two districts?

Mr. Tarus: Mr. Deputy Speaker, Sir, the procedure is that if the respective councils have any grievance, they lodge their complaints to the Ministry. We have not received any complaint so far.

Mr. Deputy Speaker: Next Question, Dr. Ojiambo!

Question No.920

VALUE OF NYAYO MOTOR
CORPORATION EQUIPMENT

Dr. Ojiambo asked the Minister for Trade and Industry:-

- (a) whether he is aware that Nyayo Motor Corporation (NMC) is on the verge of collapse;
- (b) whether he could inform the House the value of the corporation's equipment; and,
- (c) whether he could justify the corporation's operations.

The Assistant Minister for Trade and Industry (Mr. Syongo): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that the Nyayo Motor Corporation, otherwise known as the numerical machining complex, is not performing profitably as it should, due to persistent financial constraints and its original research orientation. However, plans are underway to restructure the company and give it a more business orientation instead of research orientation.

(b) The historical cost value of the corporation's equipment is as follows:

(i) The computer numerical control equipment was purchased at the cost of Kshs326,806,639.40.

(ii) The foundry equipment was purchased at a cost of Kshs313,454,082 making a total historical cost of equipment of Kshs640,260,721.40.

(c) The company's operations could be justified on the following foreground:

(i) Modern equipment such as this one which is computer aided, is only found in Egypt and South Africa. So, the acquisition of that equipment has given this country an opportunity to recruit untrained and skilled technicians and engineers in the field of computer aided design and computer aided manufacture of various components of plant and equipment.

Mr. Deputy Speaker: Mr. Syongo, before you on, remember that I advised hon. Ministers to be precise in their answers. Could you now go on to numbers two, three and four.

The Assistant Minister for Trade and Industry (Mr. Syongo): Mr. Deputy Speaker, Sir, much obliged. But this, of course, is a technical Question which requires some comprehensiveness. But I thank you for your advice.

(ii) The company develops and manufactures prototypes of different parts of equipment for small-scale industries.

(iii) It has a capacity to manufacture locomotive and motor vehicle parts and components.

(iv) It supports local industries in the manufacture of replacement parts for their plant and equipment.

Dr. Ojiambo: Mr. Deputy Speaker, Sir, while I thank the Assistant Minister for that answer, I want him to tell this House; where is the exhibition shop for all those products manufactured by this company? With that heavy investment in machines, Kenyans would like to know what is happening.

The Assistant Minister admits that the company is not doing very well. Indeed, it is not, because with an investment in machines of Kshs600 million and an estimated turn over of almost Kshs1.5 billion per year, recent indication shows that this company's turn over is less than Kshs60 million per year.

Mr. Deputy Speaker: Now ask your question.

Dr. Ojiambo: Mr. Deputy Speaker, Sir, could the Assistant Minister not consider it prudent to either sell off this company and let a private investor utilise the equipment to produce some goods that could be exported?

Mr. Syongo: Mr. Deputy Speaker, Sir, in my answer I did indicate that the company is not doing well. That facility was originally research oriented. Apart from Kenya Railways Corporation, universities and the military were also involved. I want to emphasize here that it is an extremely strategic facility.

Mr. Deputy Speaker, Sir, there are certain things that I would not like to say. If it was in camera I would be able to talk about them. But the point is, presently, it is making losses, but the equipment is there and it is intact. What we have done is that in the last two months we have invited interested parties from Turkey and China. They have expressed very keen interest on a joint venture basis to participate in the production of parts and components as well as the manufacture of agricultural equipment. The potential for this facility is enormous. It is something that we should have within our inventory of production and technical capacity in this country.

Mr. Muturi: Mr. Deputy Speaker, Sir, although the Assistant Minister has avoided to answer the first part of Dr. Ojiambo's question about the display of the products, what budgetary provision does the Ministry set aside for that corporation if it is considered to be a vital investment for the country? Available evidence shows that the corporation's survival is actually based on whether or not they get purchasers for the land that they hold.

Mr. Syongo: Mr. Deputy Speaker, Sir, I apologise for not answering the first question, but this facility is located in what was originally known as the Railway Central Workshops. At present, it is not manufacturing products ready for sale, but various industrialists are free to go there and order parts. They make very good precision parts for various plants and machineries.

Mr. Deputy Speaker: Order, Mr. Syongo! I thought you had finished. Wait for another

question.

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, I noticed with concern that the Assistant Minister avoided answering question part "b" of the Question which specifically asked for the value of the corporation's equipment. He has given us the historical cost which has got nothing to do with the value. I am a valuer and I know if the equipment was purchased ten years ago, that is not the market value. That equipment could be obsolete.

Mr. Deputy Speaker: What is your question?

Mr. C. Kilonzo: What is the market value?

Mr. Syongo: Mr. Deputy Speaker, Sir, we have various ways of valuing equipment and facilities such as this one. But the question asked was the value of the corporation's equipment. I was very precise and I deliberately gave the historical cost value. That is the information we have because valuation has not been done. But right now, we have already completed the development of a complete business plan for this facility covering a three year period. Until such time when we have put it together and developed it for purposes of attracting other investors, we have not done a current valuation.

Mr. Deputy Speaker: Last question from Dr. Ojiambo because we are already past question time!

Dr. Ojiambo: Mr. Deputy Speaker, Sir, considering that this corporation is of interest to Kenyans at large and it is functioning would interest Kenyans very much, I would like to ask the Assistant Minister to consider advertising the activities of this corporation. When students and any other personnel are invited to take part in the operations of this company, Kenyans should also be informed so that---

Mr. Deputy Speaker: Dr. Ojiambo, could you be precise? Mr. Syongo, have you got the question?

Dr. Ojiambo: Mr. Deputy Speaker, Sir, I will be very precise. I am asking if Kenyans could participate in the activities of the Nyayo Motor Corporation?

Mr. Syongo: Mr. Deputy Speaker, Sir, I want to reassure hon. Members that, indeed, students of institutions of higher learning are already benefiting by being exposed and trained at this facility. Secondly, to make this facility fully operational, we need an injection of nearly Kshs91 million. At the present, we cannot get this money from the Treasury. This is an extremely viable project and we are looking for a strategic partner to partner with the Kenya Railways and other national institutions, so that we can fully operationalise the facility.

Question No.765

DISPOSAL OF NYAYO TEA
ZONES TO KTDA FACTORIES

Mr. Deputy Speaker: Mr. Wambora still not here, for the second time? His Question is dropped!

(Question dropped)

Hon. Members, because of deferring many Questions by Private Notice, it is obvious we are going to go on for some time. We still have nine Questions which were previously deferred and we do not wish to defer them today. So, we will continue with them. Before then, there is an important Communication from the Chair.

**COMMUNICATION FROM
THE CHAIR****REFERRING OF CONSTITUTION OF KENYA
REVIEW (AMENDMENT) BILL BACK TO
THE HOUSE BY THE PRESIDENT**

Hon. Members, this concerns a memorandum by His Excellency the President on the Constitution of Kenya Review (Amendment) Bill, 2004. In exercise of his powers under Section 46(3) and (4) of the Constitution of Kenya, His Excellency the President has declined to give assent to the Constitution of Kenya Review (Amendment) Bill, 2004, and has referred the Bill back to the House for reconsideration in accordance with Section 46(5) of the Constitution. The proposed amendments submitted by His Excellency the President for reconsideration are as follows:-

"Under Clause 5, the proposed Section is 27(1)(C). The proposed Section 27(1)(C) provides that a recommendation to the Attorney-General for amendment to the draft Constitution on contentious issues must be by consensus or be supported by the vote of not less than 65 per cent of the hon. Members of the National Assembly present and voting, is inconsistent with Section 54(1) of the Constitution. That Section provides:- "Except as otherwise provided in this Constitution, any question proposed for decision in the National Assembly shall be determined by a majority of the votes of the hon. Members present and voting".

A decision on the question of the proposed Section 27(1)(C) does not fall under the exemptions contemplated by Section 54(1) of the Constitution. These exemptions are specifically set out in various sections of the Constitution, which include Sections 37(2) and 38(3) on the removal of the Speaker and the Deputy Speaker, Section 46(5)(B), where the President refers a Bill back to the House, Section 47 on the enactment of the Constitutional amendments and Section 59 on a vote of no confidence in the Government. Consistent with this, the procedure for a fixed vote and the Standing Orders of the National Assembly relates only to the fore-going instances specified in the Constitution.

The Bill is itself not a Bill to alter the existing Constitution. Consequently, the resultant Act will be an Act sub-ordinate to the Constitution, with whose provisions, it must, therefore, be consistent. Viewed against this background, the proposed Section 27(1)(C) is clearly inconsistent with Section 54(1) of the Constitution and pursuant to Section 3 thereof, if any other law is inconsistent with the Constitution, the Constitution shall prevail and the other law shall to the extent of the inconsistency, be void. That is the proposed amendment. In view of the foregoing, I request that the Bill be amended by deleting the proposed Section 27(1)(C)". This amendment will be reproduced as a Notice in the Orders of the Day for hon. Members to consider.

Hon. Members, Section 46(5) provides *inter alia* that the National Assembly shall reconsider a Bill referred to it by the President taking into account the recommendations of the President and shall either approve the recommendations with or without amendments, or refuse to accept the recommendations and, therefore, approve the Bill in its original form by a resolution supported by the votes of not less than 65 per cent of all the hon. Members of the National Assembly, excluding the ex-officio hon. Members.

As hon. Members are aware, Standing Order No.111(1) provides that on recommitment of Bills, the Committee of the Whole House considers only the matters that are specifically referred to it for reconsideration, whereas under the provisions of Section 46(5)(A) of the Constitution, the House is entitled to examine the President's proposal and approve the same with or without amendments. In doing so, the hon. Members are advised to note the following:-

(1) That the Committee will consider the recommendations by His Excellency the President and approve the same with or without amendments as it deems fit.

(2) That the Committee will then report its consideration to the House. In the event that the Committee adopts the Bill with or without amendments as recommended by the President, then pursuant to the provisions of Sections 46(5) of the Constitution, a simple majority vote will suffice. However, if the Committee rejects the recommendations by the President in total, a majority of more than 65 per cent vote will be required for the Bill to be assented to.

I invite hon. Members to familiarise themselves with my considered ruling delivered from the Chair on 22nd March, 2001, on a similar matter. I, therefore, accordingly order that the Constitution of Kenya Review (Amendment) Bill as passed during the Third Reading on Wednesday, 4th August, 2004, be recommitted to a Committee of the Whole House for consideration of the amendment proposed by His Excellency the President.

Thank you, hon. Members.

QUESTIONS BY PRIVATE NOTICE

FORMULATION OF COMPREHENSIVE LAND POLICY

Mr. Leshore: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Lands and Housing the following Question by Private Notice.

(a) Is the Minister aware that the current landlessness and unlawful seizure of public land is a prelude to turmoil and instability in the country?

(b) What urgent measures is the Minister taking to formulate a comprehensive land policy to solve the land problems once and for all?

The Assistant Minister for Lands and Housing (Mr. Ojode): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that the current landlessness and unlawful seizure of public land is a prelude to turmoil and instability in the country.

(b) My Ministry has set up a process of formulating a comprehensive national land policy that will help to resolve the current land problems. The process was launched in February this year, and it is expected to be completed by December this year or earlier.

Mr. Leshore: Mr. Deputy Speaker, Sir, I think the Assistant Minister is taking Kenyans for a ride because we have had so many policy papers and commissions, and yet we are continuing to lose lives of young Kenyans. For example, recently we lost the lives of young Maasai's in Laikipia District. Could he tell us why they are not going by what the Njonjo Land Commission recommended? Why are they not making public the Ndung'u Report on Land and implement its recommendations to bring equality in land issues?

Mr. Ojode: Mr. Deputy Speaker, Sir, I have said in this House that, there are people who are inciting other people on matters related to land. As I speak, there is a Land National Formulation process which is going on. In fact, I would even invite all the hon. Members to attend and give their views on this Land National Policy.

Mr. Kajwang: On a point of order, Mr. Deputy Speaker, Sir. You heard the Assistant Minister say that there are some people in this House and country who incite others to invade private land. This is a very serious issue; reducing us to inciters. Could he substantiate or withdraw his allegation?

Mr. Ojode: Mr. Deputy Speaker, Sir, it has been on record that there are so many people,

not only from this House, who have been going round and inciting members of the public to invade private land. Those are the people I would want to warn that they will carry their own cross if caught inciting members of the public.

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

Mr. Deputy Speaker: Order, hon. Members! Mr. Assistant Minister, the point of order raised by Mr. Kajwang concerned your allegation that hon. Members are inciting people to invade private land. The hon. Member was concerned that if you leave it at that, everyone will not know which Member you are talking about. So, you either mention which hon. Members these are, or withdraw that remark!

Mr. Ojode: Mr. Deputy Speaker, Sir, it is common knowledge that there are some hon. Members who actually incite people to invade private land. You know very well that I do need to come up with a substantive Motion if I want to mention an hon. Member. But it is true and it is on record that, there are some hon. Members who have so far incited members of the public to invade private land. That is the truth of the matter and they are aware of the hon. Member who has been inciting people!

Hon. Members: Who?

Mr. Deputy Speaker: Order! Mr. Ojode, now you are imputing improper motive! When hon. Members make statements, they must substantiate. I think you owe it to this House to withdraw that remark so that we proceed!

Mr. Ojode: Mr. Deputy Speaker, Sir, I will not go against your ruling, but it is true---

Mr. Deputy Speaker: Mr. Ojode, please!

Mr. Ojode: Mr. Deputy Speaker, Sir, I withdraw.

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

Mr. Deputy Speaker: Order! That matter is finished. The Assistant Minister has withdrawn. Let us proceed now!

Ask a question, Mr. Muite!

Mr. Muite: Mr. Deputy Speaker, Sir, part "b" of the Question is asking the Minister what urgent measures he is taking to formulate a comprehensive land policy. The Government must be aware of the judgement of the hon. Lady Justice Joyce Khaminwa, where she ordered the Government to release the Akiwumi Commission Report. If this Government is taken to court on the Ndung'u Commission Report, relying on the judgement, they will have no defence, but to release it. This Commission's report contains the comprehensive land policy. Why can the Assistant Minister not release it so that Kenyans can study that report simultaneously with the Cabinet?

(Applause)

Mr. Ojode: Mr. Deputy Speaker, Sir, this is not the first time I am mentioning this. The Minister has assured this House that the Ndung'u Commission Report will be released once the Cabinet peruses through the contents and deliberates on it, and it will be provided to Members of Parliament to go through it also, so that they can see what has so far been included in that report.

Maj-Gen. Nkaisserry: Mr. Deputy Speaker, Sir, I think this is a very important Question.

As I speak now, there is tension between the Kipsigis and the Maasai of Narok District. The incitement is from the Government. We fought for Independence because of our land rights. The Minister told Kenyans that we still have 999 years to go before land reverts back to Kenyans. Now, land was given by God.

Mr. Deputy Speaker: Ask your question, Maj-Gen. Nkaisserry!

Maj-Gen. Nkaisserry: Mr. Deputy Speaker, Sir, could the Assistant Minister take urgent measures, before he even implements this policy he is intending to implement, to make public the Ndung'u Commission Report so that Kenyans can also give suggestions to enable the Government come up with a proper policy?

Mr. Deputy Speaker: But the Assistant Minister has just addressed that issue.

Well, go ahead, Mr. Assistant Minister!

Mr. Ojode: Mr. Deputy Speaker, Sir, as I have just said, once the Cabinet peruses through the Ndung'u Report and deliberates on it, we will make it public.

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

I would request the Members of Parliament also to give their own views on the National Land Policy in order for us to give a report immediately.

Mr. Deputy Speaker: Order, hon. Members! You know it is out of order for you to be standing when a Minister is answering a question. Because of that I will ask Mr. Leshore to ask the last question.

Proceed!

(Mr. Serut stood up in his place)

Order, Mr. Serut! When I gave you the chance to ask a different question you were not a Shadow Minister!

Mr. Serut: I am the Shadow Minister!

Mr. Deputy Speaker: I agree, you are. But the chance now goes to Mr. Leshore.

Mr. Leshore: Mr. Deputy Speaker, Sir, may I remind the Assistant Minister that, the *Mau Mau* revolution was started because of inequalities in this country. Kenyans will not continue suffering because of land clashes while this Ministry is handling land issues with a lot of laxity. The National Land Policy will come after one year. Could the Assistant Minister tell this House why the Cabinet is not sitting to peruse through and analyze the Ndung'u report, so that they release it to Kenyans?

Mr. Ojode: Mr. Deputy Speaker, Sir, the reason for the delay of the National Land Formulation Policy is due to the fact that a number of hon. Members of Parliament have not given their views. If they could have a chance to give their views, we could even implement it before December. On the issue of the Ndung'u Report, once the Cabinet deliberates on the report itself it will be made public. I want to assure this House that we will make it public and even table a copy here.

Mr. Deputy Speaker: Next Question by Mr. Wamwere!

PROCUREMENT OF FAULTY FREQUENCY
SPECTRUM MONITORING SYSTEM

Mr. Wamwere: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Information and Communications the following Question by Private Notice.

(a) Is the Minister aware that the newly-purchased frequency spectrum management and monitoring system is not performing according to specifications?

(b) How much did the system cost?

(c) What action has the Minister taken against those who purchased the faulty system?

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

(a) I am not aware that the newly-purchased frequency spectrum management and monitoring system is not performing according to specifications. The Radio Spectrum Management System (RSMS) was installed and commissioned in December, 2003. It is performing satisfactorily and is under a warranty for a year.

(b) The cost of the system was US\$6,034,450.

(c) There is no action to be taken against those who purchased the system since it is working perfectly well.

Mr. Wamwere: Mr. Deputy Speaker, Sir, I would like to inform the Assistant Minister that the same type of security monitoring system, for which we paid Kshs500 million, was sold to Romania where it is not working. If the Assistant Minister insists that it is working here in Kenya, could he then explain to the House why the direction finders of this system are not working? Why is its receiver, high frequency systems and mobile monitoring systems and computers not working and have to be repaired regularly by engineers from the Tadiran Electronics of Israel, who sold the system to us?

Mr. Gumo: Mr. Deputy Speaker, Sir, this system is working. When the frequencies of the Kiss FM were jammed, we used this system to detect that problem. I am not aware that Mr. Wamwere is saying the truth. If it were true, we would have known.

Mr. Munya: Mr. Deputy Speaker, Sir, since the Assistant Minister is insisting that the system is working and everything is in order, could he guarantee that, if there is an attack on us, he will take personal responsibility for it?

Mr. Gumo: Mr. Deputy Speaker, Sir, unless the hon. Member wants to attack us, then it is possible! As far as I am concerned, the system is working.

(Laughter)

Mr. Oparanya: Mr. Deputy Speaker, Sir, you heard the Assistant Minister say, this Government spent Kshs500 million to purchase this security equipment. Mr. Wamwere has said that the same type of equipment was sold to Romania and it is not working. Was a due diligence test carried out before this equipment was bought to establish its suitability and worthiness? Who did the due diligence test?

Mr. Gumo: Mr. Deputy Speaker, Sir, before the equipment was bought, a commission was formed under a consultancy firm known as EL Consulting of Canada. This is a very reputable firm which did all the consultations and sourcing before the equipment was bought.

Eng. Okundi: On a point of order, Mr. Deputy Speaker, Sir. The spectrum monitoring equipment is a very important equipment for the security of the country---

Mr. Deputy Speaker: Order, Eng. Okundi! What is your point of order?

Eng. Okundi: Mr. Deputy Speaker, Sir, did the Assistant Minister give a full statement on how this equipment will secure the work for which it was bought in many countries? We would like to have a proper statement on this.

Mr. Deputy Speaker: Order, Eng. Okundi! That is not a point of order! It is a question! Therefore, we will ignore it!

Mr. Wamwere: Mr. Deputy Speaker, Sir, I hope the Assistant Minister heard the last question by Eng. Okundi. He can undertake to answer it as he answers mine.

Mr. Deputy Speaker, Sir, the Assistant Minister's answer says that the warranty for this equipment is still on, but is ending in December, 2004. Could the Assistant Minister consider asking the company that sold this system to us to replace it while the warranty is still on instead of waiting for it to run out and leave us with a system that is not working? Our entire security against terrorist attacks depends on this system.

Mr. Gumo: Mr. Deputy Speaker, Sir, this equipment is working. How do you replace a working equipment? Unless Mr. Wamwere is aware that it is not working, because as far as I am concerned, and the answer I have given is that, the equipment is working well, we do not have any intention to replace it.

Mr. Deputy Speaker: Next Question by Eng. Okundi!

DEATH OF MASTER ISAAC ODHIAMBO

Eng. Okundi: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that Master Isaac Odhiambo, aged seven years, son of Mr. Richard Opiyo Odongo of Mombasa, died at Aga Khan Hospital ICU after being denied emergency treatment at the Pandya Memorial Hospital, Mombasa on 8th October, 2004?

(b) What action is the Minister taking against the hospital, the matron, nurses and Dr. Nanji who were on duty at the material time, of neglecting their professional duty to save the life of the patient?

The Minister for Health (Mrs. Ngilu): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that Master Isaac Odhiambo, aged seven years, son of Mr. Richard Opiyo Odongo of Mombasa, died at Aga Khan Hospital ICU on the 8th of October, 2004, after failing to raise the required deposit for admission to Pandya Memorial Hospital on 7th October, 2004.

(b) I have instructed the Medical Practitioners and Dentists Board to institute inquiry and report to me, so that I can take the necessary action.

Eng. Okundi: Mr. Deputy Speaker, Sir, the Minister has always told the country that patients will not be denied treatment because of lack of money. In this particular case, in spite of it being very critical, the patient was denied treatment.

Secondly, private hospitals are notorious for turning away patients for lack of money at crucial hours. Could the Minister state categorically the action that she intends to take against those who do not obey her directives? What action has been taken against private hospitals which always turn away patients for lack of money?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, this is a private hospital which was supposed to have admitted the boy for treatment before referring him to one of the public hospitals. That was not done. That is contrary to the professional ethics that govern the Ministry of Health. I have instructed the Medical Practitioners and Dentists Board to institute an inquiry. I am aware that such kind of things happen repeatedly, especially in private hospitals. I will take disciplinary action once I receive the report.

Mr. Sambu: Mr. Deputy Speaker, Sir, is the Minister aware that these particular hospitals admit patients on the basis of their skin colour rather than the seriousness of the disease? Had this boy been an Indian, he would have been admitted and treated immediately!

Mrs. Ngilu: Mr. Deputy Speaker, Sir, I am not quite aware of that, but I am aware that some of the hospitals are very notorious. I agree entirely with hon. Members because the same thing has happened to me personally. When my son was involved in an accident a few months ago, I had to pay first before he was treated. So, I am aware of the situation.

Mr. Ogur: Mr. Deputy Speaker, Sir, there is a hospital called MP Shah and we know it is run by Asians; so is Pandya Hospital. Is the Minister aware that having these kind of institutions does not help us? We should say no to theft by hospitals. Is that okay with the Minister?

(Laughter)

Mrs. Ngilu: Mr. Deputy Speaker, Sir, it has something to do with choice and competition. For most poor people, there is nothing like choice. That is why we want the National Social Health Insurance Scheme in place to help our poor people.

Eng. Okundi: Mr. Deputy Speaker, Sir, the patient died of just a twist in the intestines. What compensation has the Minister ordered the hospital to pay in this particular case?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, first and foremost, I am waiting for the report to be released. Once I get it, I will take the right action.

STAFF SHORTAGE AT
NYAMAGUNDO DISPENSARY

Mr. Opore: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Health the following Question by Private Notice.

(a) Is the Minister aware that Nyamagundo Dispensary in Bonchari Constituency is on the verge of grounding to a halt due to lack of staff?

(b) What arrangement is the Minister making to save this dispensary situated in a malaria-prone area?

The Minister for Health (Mrs. Ngilu): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that Nyamagundo Dispensary is understaffed. I am also aware that there were two nurses at the same dispensary until August, 2004 when one of them died.

(b) My Ministry is in the process of interviewing nurses and we shall post one nurse to the dispensary to replace the one who died.

Mr. Opore: Mr. Deputy Speaker, Sir, the situation on the ground is worse than she imagines. First of all, the dispensary is manned by one nurse. She reports at 1.00 p.m and leaves at 4.00 p.m. When she falls sick the dispensary does not open. What is the Minister going to do about that?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, as I said earlier on, we are interviewing nurses and other health workers at the moment. We intend to post one nurse to the dispensary immediately.

Mr. Arungah: Mr. Deputy Speaker, Sir, the scenario in hon. Opore's constituency is the same in almost all other constituencies. The Minister knows, or should know, what is happening in her Ministry. Why does she not tell us the training programmes that she has put in place so that each one of us can know when nurses will be posted to our respective constituencies? Otherwise, all of us will have a Question to ask about lack of nurses. What is the Ministry's plan to ensure that every dispensary is given sufficient staff or else we stop building them?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, I am aware that most dispensaries, health centres, district hospitals and even provincial hospitals are understaffed. We have actually trained 4,000 nurses who are at the moment unemployed. It is out of these 4,000 nurses and other medical

personnel that I am going to employ 1,100 between now and December. We are in the process of interviewing. However, that will not be enough. I expect that in the next financial year, I will be able to employ all the remaining 2,900 health workers.

Mr. Opore: Mr. Deputy Speaker, Sir, I am not quite satisfied with the answer given by the Minister. In the meantime, is it not possible to have a transfer effected from one of the dispensaries so that Nyamagundo Dispensary is, at least, manned by two nurses?

Mrs. Ngilu: Mr. Deputy Speaker, Sir, I have taken note of that and when I go back to the office I will see where we can get a nurse to post to the dispensary in the meantime.

WITHHOLDING OF COFFEE
CESS BY CBK/KTDA

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

(a) How much money deducted as cess is the Coffee Board of Kenya and Kenya Tea Development Authority holding?

(b) When will this money be released to the District Roads Committees for improvement of roads?

The Assistant Minister for Agriculture (Mr. Kaindi): Mr. Deputy Speaker, Sir, you do recall that this Question was deferred. It relates to two types of cess. The first one is the coffee cess which was given a figure of Kshs42,750,000. There is a component being held by Kenya Planters Co-operative Union (KPCU) of Kshs85 million. The tea cess, in total is Kshs101,887,541.30. I wish to indicate that the funds were released. I have documents here with me which I can lay on the Table. The documents indicate that, on 4th November, 2004, a cheque was drawn in favour of the Executive Director of Kenya Roads Board (KRB). It was forwarded to him and the schedule is here. The same cheque has a schedule of specific districts and the amount of money held.

Mr. Deputy Speaker, Sir, I also have another letter written to the Permanent Secretary, Ministry of Local Government, releasing the coffee cess to the local authorities. The schedule thereof is also attached and it details specific districts and the amounts. The final letter is written to Adera and Company Advocates. They are the ones who were mandated by the court to hold the funds from Socfinaf and Thika Mills amounting to Kshs20 million until the case in court is determined. I have a copy of the letter that was used to forward the cheque to them.

Mr. Deputy Speaker, Sir, with regard to the component of KPCU, my Ministry, the Ministry of Co-operative Development and Marketing and KPCU held consultations yesterday and it was agreed that, by tomorrow, a schedule be forwarded again to the KRB.

Mr. Gachagua: Mr. Deputy Speaker, Sir, I thank the Assistant Minister for the answer. However, he should tell the House why the Kshs20 million is being forwarded to an advocate. That money is meant for improvement of roads. There is history and practice in this country where that kind of money does not reach the farmers. The Assistant Minister must look into this matter. I think the money is being kept so that the advocate's fee may be catered for later on. However, Mr. Deputy Speaker, Sir---

Mr. Deputy Speaker: Order, Mr. Gachagua! You have asked the Assistant Minister to explain why the Kshs20 million is being kept by the lawyer. Is that not the question you have asked?

Mr. Gachagua: That is the question, Mr. Deputy Speaker, Sir.

Mr. Kaindi: Mr. Deputy Speaker, Sir, hon. Members who come from those areas know that there is a pending issue concerning this money. It was agreed that the money be entrusted to a

lawyer until the courts determine the case. I do not want to say what is happening, but I am told that the case will be determined very soon.

Mr. Kembi-Gitura: Mr. Deputy Speaker, Sir, this Question was asked on 5th November, 2004 and the letter forwarding the cheque is signed 4th November, 2004. So, quite obviously, it is the Question that prompted the release of the cheque. This cheque of Kshs42 million, and the Kshs681 million that they have never paid us, has been held by the Coffee Board of Kenya (CBK) since the year 2000 when it was turned into a marketing agency. That is a lot of money. I want to know whether interest has been compounded on that amount of money. I also would like to know when the money will be released by the Coffee Board of Kenya.

Mr. Kaindi: Mr. Deputy Speaker, Sir, I just want to confirm to the hon. Member that I did request the Managing Director of the Coffee Board of Kenya to be in this House. He is seated somewhere here and he knows that what I am saying is true. He can also hear the concerns of the hon. Members; that the money is being released forthwith because I cannot bring a schedule which does not confirm the truth. I am laying these papers here on the Table so that hon. Members will be able to peruse them.

*(Mr. Kaindi laid the documents
on the Table)*

Mr. Deputy Speaker: Mr. Assistant Minister, address yourself to the question of interest. I think that was the main interest.

Mr. Kaindi: Mr. Deputy Speaker, Sir, the calculation here does not include the interest rate. I think I need to consult a little bit further.

Mr. Kembi-Gitura: On a point of order, Mr. Deputy Speaker, Sir. I am very happy that the Assistant Minister has confirmed that this information is not available and that he will consult further. When will he avail the information on interest only?

Mr. Kaindi: Mr. Deputy Speaker, Sir, I can consult on this matter and be able to bring an appropriate response to the hon. Member next week; on Tuesday.

Mr. Muiruri: Mr. Deputy Speaker, Sir, the Assistant Minister has given a breakdown of the amount of money that the Coffee Board of Kenya and the KPCU are holding. He has left out two other marketing agents which are also holding money. These are Thika Coffee Mills which is marketing coffee and Socfinaf which are holding a lot of money. He has not elaborated where this money is. According to the Kenya Roads Board Act, the money held by the KTDA which amounts to Kshs22 million--- A further sum of Kshs58 million which is sent to the District Tea Cess Committees and Factory Cess Committees should go to the District Roads Committees, but not to the factory committees who are actually the same people!

Mr. Deputy Speaker: Mr. Muiruri, I cannot allow you to speak indefinitely! This is Question Time!

Mr. Kaindi: Mr. Deputy Speaker, Sir, the first cheque of Kshs12,250,000 is a Kenya shillings account number. There is another dollar account for US\$73,000 which is equivalent to Kshs5.9 million. This money was forwarded by Socfinaf and Thika Coffee Mills to the CBK. A cheque for this money has now been drawn and was deposited with a lawyer. That is the money that we are talking about. If you add both amounts it comes to Kshs20,045,699.75.

(Mr. Muiruri stood up in his place)

Mr. Deputy Speaker: Order, Mr. Muiruri! It is not the Assistant Minister who gives you permission to speak! It is the Chair and I have not given you permission!

Mr. Owino: Mr. Deputy Speaker, Sir, I come from an area where cess money has been misused. We have four companies in my area; a sugar company and---

Mr. Deputy Speaker: Mr. Owino, ask your Question!

Mr. Owino: Mr. Deputy Speaker, Sir, the cess money is totalling to about Kshs9.8 million, but this money is credited to an account of the local authorities. This money is misused because it is paid out in form of salaries and other expenses when it is meant to upgrade and construct roads within the area. Why can the Assistant Minister not formulate a policy where this money is credited to an account where it can be used for the purpose it is meant?

Mr. Kaindi: Mr. Deputy Speaker, Sir, indeed, that is the issue that Mr. Muiruri was also raising; that the 80 per cent of the KTDA money ought to be forwarded through the KRB. I have heard the concerns from hon. Members. The money has not been dispatched yet. I will take into consideration the views of hon. Members in dispatching that money.

Mr. Gachagua: Mr. Deputy Speaker, Sir there is the issue of the interest rate on this money. The money held by the KPCU is a staggering Kshs85 million and the schedule that the Assistant Minister has alluded to is as a result of the Question asked in this House. Could the Assistant Minister undertake to bring to this House proof that this money has been paid to the KRB by next week? What the Assistant Minister has now is simply a schedule. Could he undertake that the cheque for Kshs85 million will be forwarded to the KRB next week?

Mr. Kaindi: Mr. Deputy Speaker, Sir, I prefer to use the words of the Minister for Co-operative Development and Marketing, yesterday, in his directive. He said that, that money should be released immediately. I will follow up the issue and ensure that I submit a copy of that schedule to this House.

Mr. Deputy Speaker: The Assistant Minister has done justice to this Question and the Chair has also given a lot of time to it.

Hon. Members, that is the end of Question Time!

Next Order!

POINTS OF ORDER

TABLING OF PARLIAMENTARY SELECT COMMITTEE ON CONSTITUTIONAL REVIEW REPORT

Mr. Angwenyi: Mr. Deputy Speaker, Sir, two and a half weeks ago, I sought a Ministerial Statement from the Minister for Justice and Constitutional Affairs with regard to the Parliamentary Select Committee on Constitutional Review, as to why they have not tabled a report of their deliberations and recommendations with regard to the constitutional review process.

Mr. Deputy Speaker, Sir, at that time, I said that I had seen hon. Members, especially the Chairman of the PSC talking about the Constitution and the recommendations they have made during funerals, *barazas* and while commenting on skirmishes in Likia. I would therefore, like to demand that a report is tabled in this House on their deliberations and recommendations. I would like to know when the Minister will actually give that Statement!

Mr. Deputy Speaker: Mr. Angwenyi, who are you addressing the request for a Ministerial Statement to!

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the Minister for Justice and Constitutional

Affairs!

RECRUITMENT OF TEACHERS IN KISII

Secondly, on 27th August, 2004, the Kisii Central District Education Board declined to approve the recruitment of 103 teachers on the basis that the recruitment exercise was flawed and corrupt. We referred the matter to the TSC which later on decided that the matter should be taken back to the District Education Board (DEB) for the recruitment exercise to be restarted. To date, we have not received the decision of the TSC and yet the District Education Officer has gone ahead to process recruitment of those teachers who had bribed him. I would like to have a Ministerial Statement from the Minister for Education, Science and Technology with regard to this matter quite urgently. In the meantime, he should stop the recruitment exercise until a decision is made and communicated to the DEB.

Mr. Deputy Speaker: Could I ask which Minister is holding brief for the Minister for Education, Science and Technology?

The Assistant Minister for Roads and Public Works (Eng. Toro): Mr. Deputy Speaker, Sir, the Statement will be issued on Thursday, next week.

Mr. Angwenyi: But the Minister is here!

Mr. Deputy Speaker: No, I am talking about the Minister for Education, Science and Technology. Mr. Angwenyi, I asked a specific question: Which Minister is taking a brief for the Minister for Education, Science and Technology and Eng. Toro has offered to do that. If the Minister for Justice and Constitutional Affairs wants to say something about the request he can do so.

The Minister for Justice and Constitutional Affairs (Mr. Murungi): Mr. Deputy Speaker, Sir, first, it is not true that constitution-making is being done in funerals and weddings. Very serious work is being undertaken by the Parliamentary Select Committee on the Constitution which meets very regularly. A lot of progress has been made. The Report of the Parliamentary Select Committee on contentious issues is now being prepared, and I believe that it will be ready by next week. I will communicate to the Chairman of that Select Committee to find out whether the Report can be brought to the House next week.

(Applause)

Mr. Deputy Speaker: Yes, Mr. Sambu! I want hon. Members to be brief now!

PUBLICATION OF UNAUDITED
ACCOUNTS BY KRB

Mr. Sambu: On a point of order, Mr Deputy Speaker, Sir. I will be brief.

I would like to seek a Ministerial Statement from the Minister for Roads and Public Works regarding the publishing of unaudited accounts by the Kenya Roads Board (KRB) in yesterday's newspapers - the *People Daily* and *Kenya Times* - and today's *Daily Nation*. The KRB is a State corporation. Section 36(iii) of the KRB Act says:-

"The Accounts of the Board shall be audited and reported upon in accordance with Sections 29 and 30(a) of the Exchequer and Audit Act by the Auditor-General (Corporations)."

The figures which have been given by the KRB are misleading. I would like the Minister to

ask that corporation to publish the amounts for the 2003/2004 Fiscal Year. For example, the KRB says that Nandi was allocated Kshs42 million. First of all, there is no district called Nandi. We now have Nandi North and Nandi South districts.

Mr. Deputy Speaker: Mr. Sambu, you promised to be very brief!

Mr. Sambu: Mr. Deputy Speaker, Sir, this is the gist of the matter!

Mr. Deputy Speaker: Yes, but you have referred to that Act!

Mr. Sambu: Mr. Deputy Speaker, Sir, when the people see this advert, they think that, because the District Roads Committee (DRC) is the one which controls the money, the hon. Members are keeping the money somewhere. I would like the amount of money given to my district to be corrected because we have not received the Kshs42 million in the 2003/2004 Fiscal Year. This year, every constituency received only Kshs5.5 million.

Secondly, we would like the KRB to stick to Section 36 of its Act, which states that its accounts have to be audited by the Auditor-General (Corporations), who will bring the audited report to Parliament through the Minister for Finance. Parliament will then have the report examined by the Public Investments Committee (PIC). Parastatals do not publish their audited accounts in the newspapers!

Mr. Deputy Speaker: To assist in that matter, I think there is need for the Minister to clarify the whole list because hon. Members have complained that the figures in the newspapers do not tally with what they know has been received in their districts. There is need for a comprehensive Statement to be issued by the Minister. Mr. Assistant Minister, do you have something to say?

The Assistant Minister for Roads and Public Works (Eng. Toro): Mr. Deputy Speaker, Sir, I undertake that a comprehensive Statement will be issued on Wednesday next week in the afternoon.

DISRUPTION OF POWER SUPPLY IN MOYALE TOWN

Dr. Galgallo: On a point of order, Mr. Deputy Speaker, Sir, thank you for giving me this opportunity. Last week I sought a Ministerial Statement from the Minister for Energy as to why Moyale Town has continued to suffer power shortages and disruptions since October last year. As late as yesterday, Mr. Kiunjuri promised me that he will issue the Ministerial Statement today. Unfortunately, he has not even shown up. Could any of his colleagues tell him that we are still waiting for the Statement?

Mr. Deputy Speaker: Eng. Toro, will you inform Mr. Kiunjuri that?

The Assistant Minister for Roads and Public Works (Eng. Toro): Mr. Deputy Speaker, Sir, I undertake to get in touch with the Assistant Minister so that he can issue the Ministerial Statement on Tuesday next week.

COMMITTEE OF THE WHOLE HOUSE

THE GOVERNMENT FINANCIAL MANAGEMENT BILL

Mr. Deputy Speaker: Very well. Hon. Members, by the discretion of the Chair, Order No.7 will be deferred to next week.

(Committee of the Whole House deferred)

BILL

Second Reading

THE INVESTMENT PROMOTION BILL

*(The Assistant Minister for Trade and Industry
(Mr. Miriti) on 2.6.2004)*

*(Resumption of Debate interrupted
on 10.11.2004)*

Mr. Deputy Speaker: Capt. Nakitare was on the Floor. You have ten minutes!

Capt. Nakitare: Thank you, Mr. Deputy Speaker, Sir. As much as I would like to contribute to the Investment Promotion Bill, there are many reasons why, when we raise such issues with the concerned Ministries, some of them are termed as irrelevant. There is no irrelevancy in what we say.

I noted that in a country like Mexico, the Ministry of Trade takes more interest in their local investments. I would like to talk about cotton farming. If the Ministry of Trade and Industry is serious about promoting investment in this country, then the Industrial Development Bank (IDB) should be decentralised. It should also be used to create jobs and give loans to farmers in cotton-growing areas so that our country can also meet the African Growth and Opportunity Act (AGOA) quota.

We have seen the local industries which are under the Ministry of Trade and industry collapse. The Bill before the House is very attractive to local and international investors. Apparently, if you look at KICOMI and other textile industries in our country, you will find that they have not been taken seriously. If you look at the investment in the textile industry, you will find that 1 per cent or nothing comes from the indigenous people. As much as we would like to have international investors investing in this country, we should also consider assisting institutions which will generate money and create employment in this country. We have to be serious about this.

[Mr. Deputy Speaker left the Chair]

*[The Temporary Deputy Speaker
(Maj. Madoka) took the Chair]*

I would like to talk about the IDB, which the European Union gives money to lend to the people of this country. That bank keeps the money, advertises in the newspapers and promises people that it will give them loans. It also asks them to write proposals which take even two years to be considered. At the end of the day, they are told that the proposals are not proper and they have to begin again. I was one of the victims since I heavily invested in the tourism sector because I have not got any support from our local financial institutions. I have also not got support from the Ministry of Tourism and Wildlife

When the Japanese established the Thika Textile Industries, employment opportunities were

created, and most of our people were sent abroad to train as technicians to run the industry, but it collapsed later on. Even KICOMI branch of Nanyuki collapsed. The Ministry of Trade and Industry should have a vision and entice our people to believe that the Investment Promotion Bill and the Export Processing Zones will benefit our people, who are hungry. Where will we get foreign exchange to buy petroleum products and other imported items? If we have to promote our industries, there has to be a promissory note from the Ministry of Trade and Industry. It is appalling for our country to import cotton which is used by the textile industries from other countries. Lelan introduced sheep which produced wool to make yarn, but the farmers were not supported by the Government. We will be on the right path towards investment, if we promote our people and make them productive. We have even forgotten about our own history in this country. Kenya has produced and exported raw materials to Europe, which are then processed and only brought back here as finished products, and we buy them at exorbitant prices.

Mr. Temporary Deputy Speaker, Sir, while I support this Bill, it is my concern and big hope that the Ministry of Trade and Industry will invest or provide some money and support farmers who are going to produce raw materials which are going to support our export industries.

With those few remarks, I beg to support.

The Assistant Minister for Local Government (Mr. Tarus): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Bill. This Investments Promotion Bill has come at the right time when all Kenyans are looking forward to seeing a society that is striving with industry and all opportunities. Going by the desire of Kenyans to access job opportunities and proper infrastructure, when we develop a Bill like this one, it is true that we want to streamline our operations so that those who want to come and invest in Kenya can get an conducive environment to be able to participate in our economy.

There are number of issues that, whenever we think about investment, we quite need to look at more critically. When you look at our economy, we have imbalanced development which is causing a lot of concentration in particular areas of development. When we think about these investments, we should ensure that the National Development Plan that we develop every year, identifies the diversity of the potential of Kenya and also encourages these investments across the country, so that at the end, we all have had an opportunity for capital investments first, to stem the rural-urban migration search of labour. If we locate industries in all the parts of Kenya, we will be able to also improve the incomes of our people across the country.

Mr. Temporary Deputy Speaker, Sir, the second fact is that while we pursue or attract foreign investments, there have also been bottlenecks. It is true that we will enact this Bill into a law, but if certain conditions have not been adequately developed, it will be a bit difficult to attract investors, because most of them look at what kind of infrastructure we have. If you look at our infrastructure, most of the urban centres are crying for the improvement of the infrastructure. But if you look at what sustains our economy, we are talking of a larger section of our economy being sustained by agricultural output. So, if we want to make the agricultural parts of Kenya productive and profitable to invest in, then we must also, in the same vein, make sure that we have developed a programme to ensure that our infrastructure is up to date.

While looking at these issues of investment, we need to borrow a leaf from other countries. The economy of Botswana is sustained by the beef industry. Considering the population engaged in the livestock industry in Kenya, one wonders why we cannot focus on this particular sector in order to uplift the lives of these people. The lives of pastoralists are not very interesting. Mostly, we have prejudices against them and, therefore, in most cases we talk of them as being cattle rustlers. But these are communities that can contribute greatly to the economy of our country if only we can focus on what are the available opportunities, and how to mobilize them in order to ensure that this

particular industry thrives. Without minerals, we cannot afford not to develop the opportunities that we have. In most cases, although we do target foreign capital investment, I think what is most important are the people of Kenya. More often, we have attracted foreign investors, but we have also found out that they invest here and after a short time, they relocate to other countries. So, the most reliable investors are the Kenyan people.

Mr. Temporary Deputy Speaker, Sir, we should lay more emphasis on our local investors. We also need to look at how we can develop a mechanism to encourage our local people to develop much more interest in developing sustainable investments, not just in commerce and trade, but also serious investments. We have also noted that in our industrialization programmes, we did develop the Export Processing Zones (EPZs) within Nairobi. But in the spirit of ensuring that there is balanced growth in Kenya, I think we need to identify major towns in Kenya where we can develop EPZs in those regions for the very purpose of ensuring that the opportunities available for employment, tax holidays for investors and those kind of things, are also available in these regions so that we can develop together. I have in mind towns like Eldoret, Kisumu and Mombasa. I think that if we focus on these areas, it will be very important.

With those few remarks, I beg to support.

The Temporary Deputy Speaker (Maj. Madoka): Hon. Members, in the circumstances that no other Member is willing to contribute to the Bill, I will now call upon the Mover to reply.

The Assistant Minister for Trade and Industry (Mr. Syongo): Mr. Temporary Deputy Speaker, Sir, may I take this opportunity to thank all Members who have contributed to this Bill. Their contributions have been very detailed and informative. They have touched on various pertinent issues that are relevant to a successful Investment Promotion Authority. I want to assure this House that every single Member's contribution is being analysed, and the content of their contributions being collated, so that we can inform this particular Bill before it goes into the Committee stage.

Mr. Temporary Deputy Speaker, Sir, a number of very useful ideas have come out of the Members contributions. For example, His Excellency the Vice-President and Minister for Home Affairs emphasised the need to be sensitive and alive to the dichotomy of domestic versus foreign investment.

*[The Temporary Deputy Speaker
(Maj. Madoka) left the Chair]
(Mr. Deputy Speaker took the Chair)*

Several other Members also mentioned that there is need to look at the opportunities and incentives, which are likely to be varied for domestic and foreign investors.

Mr. Deputy Speaker, Sir, hon. Prof. Maathai mentioned that there is need not to just consider the issues of incentives for potential investors, but also to look seriously at the total investment environment prevailing in our country. She mentioned the issue of insecurity as well as the culture of corruption in our country. As all Members know, the Government is taking steps, and has indicated very clearly, its commitment to deal with these issues, because, indeed, they affect the investment environment.

Mr. Deputy Speaker, Sir, issues such as poor road infrastructure, inadequate---

QUORUM

Maj. Madoka: On a point of order, Mr. Deputy Speaker, Sir. We are just about to come to

the stage where we will vote on this Bill, and I do not think we have quorum in the House.

Mr. Deputy Speaker: Yes, indeed, there is no quorum. I order that the Division Bell be rung.

(The Division Bell was rung)

ADJOURNMENT

Mr. Deputy Speaker: Order! Hon. Members, due to lack of quorum, we are not able to continue. The House is, therefore, adjourned until Tuesday, 16th November, at 2.30 p.m.

The House rose at 5.00 p.m.