

## NATIONAL ASSEMBLY

### OFFICIAL REPORT

Thursday, 4th October, 2001

The House met at 2.30 p.m.

*[Mr. Deputy Speaker in the Chair]*

### PRAYERS

### NOTICES OF MOTIONS

#### LEAVE TO INTRODUCE "CONSTITUENCIES DEVELOPMENT FUND BILL"

**Eng. Muriuki:** Mr. Deputy Speaker, Sir, I beg to give notice of the following Motion:-  
THAT, this House do grant leave to introduce a Bill for an Act of Parliament entitled Constituencies Development Fund Bill to provide for the implementation of the resolution of the House passed on 29th November, 2000, to the effect that 2.5 per cent of the Government revenue be allocated to constituency-based development projects.

#### LEAVE TO INTRODUCE BILL TO PROVIDE FOR HOLDING OF REFERENDA

**Mr. Imanyara:** Mr. Deputy Speaker, Sir, I beg to give notice of the following Motion:-  
THAT, considering that there is no law in Kenya for the holding of referenda; this House do grant leave to introduce a Constitutional (Amendment) Bill to make provision for the holding of referenda in Kenya whenever it is considered desirable to hold a referendum.

### ORAL ANSWERS TO QUESTIONS

*Question No.329*

#### EXPENDITURE ON POPULATION CENSUS

**Mr. Onyango** asked the Minister for Finance:-

- (a) how much money was budgeted/allocated for the last population census held in 1999 and how much money was actually spent,
- (b) if he is aware that most of the supervisors, enumerators and clan elders in Nyatike Constituency have not been paid to date; and,
- (c) when these people will be paid.

**The Assistant Minister for Finance and Planning** (Mr. Arap-Kirui): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The budgetary allocation for the last population census held in 1999 was Kshs1,514,029,392. The actual expenditure was Kshs1.8 billion.

(b) I am not aware that most of the supervisors, enumerators and clan elders in Nyatike Constituency have not been paid. Sufficient budgetary provision had been made for Nyatike Constituency and the funds released.

(c) We will investigate the allegation with a view to taking remedial action, if need be.

**Mr. Onyango:** Mr. Deputy Speaker, Sir, over half of the enumerators and clan elders were not given their money. Could the Assistant Minister tell this House when he will give out that money to the people concerned?

**Mr. Deputy Speaker:** But that is the same question as part "c" of the Question.

**Mr. Onyango:** Mr. Deputy Speaker, Sir, as far as the Budget is concerned, it means that they spent more than the total amount budgeted. We have informed even the district headquarters that these people were not paid. So, it is

not true, as the Assistant Minister says, that he is not aware because the Ministry was informed that these people were not paid.

**Mr. Arap-Kirui:** Mr. Deputy Speaker, Sir, Nyatike Constituency was allocated Kshs2,421,150 to pay for the manpower that had been recruited for the census exercise, and this money was more than adequate. If on the other hand there was over-

**[Mr. Arap-Kirui]**

employment of the manpower at the local level, that might be a slightly different issue. I think the hon. Member should provide evidence of those paid and those who were not paid, so that we can identify the nature of the problem. Otherwise, adequate provision was made for the constituency.

**Mr. Omamba:** Mr. Deputy Speaker, Sir, this complaint about enumerators who were not paid is being heard everywhere, including Uiri Constituency. What was the criteria used to pay these people?

**Mr. Arap-Kirui:** All those who were hired legally had terms of employment clearly stated. We have a situation here where there were some phoney employees or people who claim they had been employed to undertake the census exercise. If these are valid cases, let us have them brought forward and we will verify them.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, the question that the Assistant Minister is expected to answer is whether or not the genuine enumerators were paid. It does not mean anything when he tells us about the allocation. Money can be allocated, but it may not be paid. If he says they were paid then he must have proof. Could he produce some tangible proof that money was paid to these people?

**Mr. Arap-Kirui:** Mr. Deputy Speaker, Sir, it seems the hon. Member is approaching the issue backwards. If there is anybody who is claiming that he has not been paid, let him come forward and establish that he was not paid. Otherwise, I believe we paid everybody who was legally employed!

**Mr. Deputy Speaker:** Order! The people who are complaining that they have not been paid have every right to ask their MPs to come here and establish the facts. These hon. Members are saying that since you are claiming that these people have been paid you should produce very legitimate evidence to that effect. If you do not have it now just say so.

**Mr. Arap-Kirui:** Mr. Deputy Speaker, Sir, I would agree with you that, in a case where someone is legally employed, he has a legitimate complaint. Unless the hon. Member can give us the names of those who were not paid, I think we have a problem.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, here are Kenyans who are saying they have not been paid. It is the responsibility of the Government to produce evidence that they have paid them. Is he not begging the question?

**Mr. Arap-Kirui:** Mr. Deputy Speaker, Sir, we employ thousands of people. If there are a few people who have not been paid, let them come forward and establish that they have not been paid.

**Mr. Onyango:** Mr. Deputy Speaker, Sir, could the Assistant Minister then tell this House the names of the people who were legally employed and the amount of money each one of them was paid?

**Mr. Arap-Kirui:** Mr. Deputy Speaker, Sir, this will run into thousands. I think the most realistic approach, unless we want to be unreasonable, is for the person who has complained to come forward and say "I have never been paid".

**Hon. Members:** No!

**Mr. Deputy Speaker:** Order! Order! Mr. Assistant Minister, the route you are following is even more complicated than the one that is being proposed by Members here. If, indeed, those who participated in this exercise have been paid, you have the evidence to that effect. It is a lot easier for you to lay that evidence on the Table for these Members to check through records that have now been accepted into our records, than for all Members in this House to produce lists of people who claim not to have been paid.

*(Applause)*

**Mr. Arap-Kirui:** Mr. Deputy Speaker, Sir, then I think I can only go by your ruling but on the other hand---

**Hon. Members:** You should totally agree with Mr. Deputy Speaker!

**Mr. Arap-Kirui:** I agree but you are not Mr. Deputy Speaker.

Mr. Deputy Speaker, Sir, I will go by your ruling but I think we are going to look at a very long list. We will need time to do that. We certainly will be able to provide the list of people who were paid.

**Mr. Deputy Speaker:** Order! Order, hon. Members! There is nothing too expensive or difficult to do, in order to satisfy the requirements of the House. I think, let this be the last time that we are engaging in arguments about the evidence that is available within Government records. Nobody is trying to ask you to go and do something that is impossible to do. If the records are there, tender them.

Next Question, by Mr. Sungu!

*Question No.559*

UTILISATION OF DEVELOPMENT FUNDS

**Mr. Sungu** asked the Minister for Finance:-

- (a) how much money the then Kisumu District (including Nyando) Treasury returned unutilised under various votes in 1997/98, 1998/99, 1999/2000 and 2000/2001 financial years; and,  
(b) what measures he is

taking to ensure that the money meant for development is utilised for the purposes for which it is allocated before the end of the financial year.

**The Assistant Minister for Finance** (Mr. Arap-Kirui): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Between 1998/1999, 1999/2000 and 2000/2001 financial years, Kisumu District Treasury had a total balance of Kshs149,245,479.60 unutilised under various votes. During the same period, Nyando District Treasury had a total balance of Kshs6,282,896.95 unutilised under various votes. The figures for 1997/1998 financial year are unfortunately not readily available.

(b) The following measures have been taken by Treasury to ensure that funds are utilised for the purposes for which they are allocated before the end of the financial year:

(i) Through Treasury Circular No.7/2001 of 25th April, 2001, all Ministries were directed to open customers' accounts at the district level. This arrangement will ensure that each Ministry operates its bank account at the district level and expenditure is directed to the respective votes and used for the purposes intended in the Budget.

(ii) Workshops were held during the financial years 1999/2000 and 2000/2001 to sensitise stakeholders in projects on requirements and procedures to be followed in the implementation of projects. The participants in the workshops were drawn from all sectors of the Government handling development projects from the Ministry's headquarters and districts.

**Mr. Sungu:** Thank you, Mr. Deputy Speaker, Sir. I am shocked to note that over Kshs160 million was returned unutilised to the Treasury, when services are lacking in these two districts. What really happens is that, District Commissioners in those areas obtain imprests from the Treasury and they never account for them and, therefore, the District Treasury is not able to reclaim reimbursement because they do not have the receipts. Therefore, the money goes unutilised. What action is the Treasury going to take against such officers to ensure that we do not get the money for development which they put in their own pockets?

**Mr. Arap-Kirui:** Mr. Deputy Speaker, Sir, any instances of wrongdoing will be punished. However, as I pointed out, the situation where certain officers used to access funds sent to the district has been minimised by this new requirement of every Ministry opening its own account. In the past, we used to have a joint account in the district for all Government departments. This is no longer the case and the officers of the relevant Ministries are now able to control the funds that directly relate to their Ministries.

**Mr. Keriri:** Mr. Deputy Speaker, Sir, I know there is a requirement that when officers take imprests from the Government, there is a limit within which they have got to surrender that money back to their own Accounting Officers. What does the Treasury do or intend to do, to make sure that officers who do not surrender that money within that limit are, in fact, punished?

**Mr. Arap-Kirui:** Mr. Deputy Speaker, Sir, in the past, there may have been cases of laxity but this is no longer the case and officers who take imprests have to fully account for them within one month of the end of the intended utilisation. Any officers that do not do so, they have these funds recovered from their salaries immediately and disciplinary measures are usually instituted against them.

**Mr. Sungu:** Mr. Deputy Speaker, Sir, the problem also relates to late remittance of funds by the Treasury to the districts, in which case there is so little time to spend this money that it cannot be used for the intended purposes. Therefore, the Ministries then freeze the usage of these funds before the end of the financial year. What action will the Assistant Minister now take to ensure that the funds meant for the districts, particularly Kisumu and Nyando, reach them in time? For example, right now, we do not have that money in the districts.

**Mr. Arap-Kirui:** Mr. Deputy Speaker, Sir, we transmit funds as early as we can to the districts and the relevant departments. However, one needs to appreciate that before funds can be transmitted, they have to be collected. This is usually in the form of taxes. So, there is usually a certain lag in time, but we are working very closely to ensure that funds are remitted early to the districts.

Next Question, by Mr. Mwenda!

*Question No.443*

STD FACILITY FOR THARAKA

**Mr. Deputy Speaker:** Is Mr. Mwenda not there? We will leave his Question until the end. Let us move on to the next Question.

*Question No.335*

REHABILITATION OF TINGA WATER SUPPLY

**Mr. Obwocha** asked the Minister for Water Development:-

- (a) whether he is aware that Tinga Water Supply in Nyamira District is not functional; and,
- (b) what steps he is taking to repair the water pump.

**The Assistant Minister for Water Development** (Mr. Kofa); Mr. Deputy Speaker, Sir, I beg to reply.

- (a) Yes, I am aware.

(b) Tinga Water Supply requires some rehabilitation works, including replacement of the existing pumping sets. My Ministry has no budgetary allocation to undertake a rehabilitation of Tinga Water Supply this financial year, 2001/2002. However, in line with the Government's water policy on cost sharing, the beneficiaries of the project are actively encouraged to participate in co-operation for the water supply. However, the Ministry is ready to give the appropriate technical support.

**Mr. Obwocha:** Mr. Deputy Speaker, Sir, did you hear that very disappointing answer? There is only one water supply project in Nyamira District, which the Government has repaired. We have tried, as residents, to start other water supply projects in Kebirigo, the largest urban centre, and this particular one at Ting'a Market. This Government is now asking a Member of Parliament to raise funds for the repair of a water pump. What are we talking about? First of all, I do not think that this Assistant Minister reads his Ministry's budget. He should be ashamed. In the current Ministry's budget, under Head 777, there is a provision for maintenance of water supplies and sewerage. Is maintenance not repairs? Now, this Assistant Minister comes here and says that I should raise funds to repair a water pump for my people who do not have water. It is a shame!

**Mr. Deputy Speaker:** Ask your question!

**Mr. Obwocha:** Mr. Deputy Speaker, Sir, we come here to ask Questions so that our people can benefit from Government revenue. Could the Assistant Minister tell this House why he could not get money from that Vote to repair that pump?

**Mr. Kofa:** Mr. Deputy Speaker, Sir, Ting'a Water Supply Project was initiated 12 years ago by the Ministry of Health and not by my Ministry. The funding of this project was sourced through the Rural Development Fund (RDF). The money the hon. Member talked about was supposed to be controlled through the District Development Committee (DDC), of which Mr. Obwocha is a Member. So, if he could go back to the district and give this project priority, it will definitely be done.

**Mr. Anyona:** Mr. Deputy Speaker, Sir, in the first place, Ting'a Water Supply is at the border of West Mugirango and my constituency. So, the two constituencies share the project. The history the Assistant Minister is giving us is irrelevant. Indeed, the Water Department was a department of the Ministry of Health. The Ministry of Water Development was created to do exactly what this Department used to do. This is a Government project. Could the Assistant Minister tell us when we are going to have the water pump repaired? First of all, how much will it cost to repair the pump?

**Mr. Kofa:** Mr. Deputy Speaker, Sir, the repair requires Kshs1 million so that a larger and more powerful water pumping set can be acquired. Also, the pipeline needs rehabilitation. Finally, the reconstruction of the cracked retaining wall will cost about Kshs300,000.

**Mr. Deputy Speaker:** The last question, Mr. Obwocha!

**Mr. Obwocha:** Mr. Deputy Speaker, Sir, the Assistant Minister has given us the history of how that water project started. That is not what I have asked for. I have asked how the people can get the water from that source. He has told us that the rehabilitation works will cost Kshs1.3 million. How much money has the Ministry allocated the

Water Department in Nyamira District this year? Does he know?

**Mr. Kofa:** Yes, I do, Mr. Deputy Speaker.

**An hon. Member:** How much money?

**Mr. Kofa:** Mr. Deputy Speaker, Sir, as I said earlier, my Ministry has no budgetary allocation for this project.

*Question No.308*

DISMISSAL OF MR. AMEMBI

**Dr. Oburu** asked the Minister for Labour:-

(a) whether he is aware that Mr. Fredrick Amembi was dismissed from service by Lima Limited on 10th February, 1994, and that to date no terminal benefits have been paid to him despite several appeals to the company; and,

(b) what urgent measures he is taking to ensure that Mr. Amembi is paid his benefits promptly.

**The Assistant Minister for Labour and Human Resource Development** (Mr. Chanzu): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Mr. Fredrick Amembi has never registered a formal complaint with any of the labour officers. Consequently, I became aware of his plight through this Question. However, upon investigation, it has been established that Mr. Amembi was dismissed by Lima Limited on 10th February, 1994 when he was charged under Section 281 of the Penal Code with theft of company property in a Nakuru Court, Case No.310 of 1994. Subsequently, he was acquitted of the charges. Under normal circumstances, the employee would be entitled to any days worked, any leave due and refund of provident funds, if any.

(b) Since the management of Lima Limited has defied lawful orders to avail employment records for inspection and computation of the claimant's dues, I have initiated the process of suing the employer. In this regard, it is necessary for the complainant to urgently report to the District Labour Officer, Industrial Area, with the relevant documents concerning his employment with the company.

**Dr. Oburu:** Mr. Deputy Speaker, Sir, I am happy that the Ministry is at least taking some action. But it is not true that Mr. Amembi has not reported the matter to the Labour Office. He reported the matter to the District Labour Officer, Nakuru, but officers in that office fear Lima Limited because of the personalities involved in that company. So, I would like to ask the Assistant Minister whether he is willing to take up this case from the headquarters, because referring it to the District Labour Officer, Nakuru, will not help. The District Labour Officer, Nakuru, is under pressure, or is afraid of the personalities involved, who are directors of the company. The required documents are here with me. I will table them so that the Assistant Minister can take action, if he is willing to do so.

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**Mr. Chanzu:** Mr. Deputy Speaker, Sir, as a matter of procedure, I would like to urge Mr. Fredrick Amembi to report to the Labour Office in Industrial Area. However, I will take up the matter from the Head Office and follow up this case so that Mr. Amembi can be paid his benefits.

**Mr. Mwakiringo:** Mr. Deputy Speaker, Sir, this is a very clear case where a suspect was charged in a court of law and subsequently acquitted. Under normal circumstances and labour laws, the company has the responsibility of paying the benefits due to this person immediately. What are the forces behind Lima Limited, which have caused the company not to pay the gentleman his dues for the last seven years? Taking this matter to court means delaying further paying this gentleman his dues. That means he is going to suffer longer than he should. This is a clear case, unless the Ministry has been corrupted by the company.

**Mr. Chanzu:** Mr. Deputy Speaker, Sir, I have assured the House that I am going to take up the matter. In fact, by virtue of the fact that our Head Office became aware of this matter late, the chances of it being successful in court are very slim. So, we suggest that it be handled through a public relations mechanism. As a Ministry, we are prepared to intervene and assist in resolving this matter.

**Mr. Odongo:** Mr. Deputy Speaker, Sir, we understand that this individual has reported this matter several times to the Nakuru Labour Office and the labour officers have done nothing about it. Could the Assistant Minister tell this House what action he will take against his officers who have failed to do their job?

**Mr. Chanzu:** Mr. Deputy Speaker, Sir, the answer to that question is what I have given. When Mr. Amembi reports to our office, we will follow up the matter and at the same time take the appropriate disciplinary action against the officers who have delayed in handling this matter. We will do this once we confirm the truth.

**Dr. Oburu:** Mr. Deputy Speaker, Sir, this man was employed and worked for that company for 16 years. From 1997, when he was acquitted of the theft charge, it is another five years. It is urgent that action is taken. Could the Assistant Minister tell us exactly what action he will take against M/s Lima Limited? He has talked about taking legal action. Will he arrest the concerned people and take them to court or institute a civil case? What exactly will he do about this particular case to alleviate the suffering of this man?

**Mr. Chanzu:** Mr. Deputy Speaker, Sir, one of the actions that we will take is to talk to the bosses of M/s Lima Limited directly. From there, we will determine what else we can do if negotiations cannot work.

*Question No.271*

AUCTION OF COTTON GINNERIES

**Dr. Odhuodho** asked the Minister for Agriculture:-

- (a) whether he is aware that the cotton ginneries in Homa Bay and Kendu Bay Towns owned by South Nyanza District Co-operative Union (SNDCU) have recently been auctioned;
- (b) since the two ginneries were leased to M/s Asego Holdings Company in November, 1996, how much money the Company has repaid to the Co-operative Bank of Kenya and the farmers union; and,
- (c) in view of the harsh weather conditions that have persisted in the region since 1997, whether he could consider writing off the loans to farmers.

**The Assistant Minister for Agriculture and Rural Development** (Mr. J.D. Lotodo): Mr. Deputy Speaker, Sir, I beg to reply.

- (a) I am aware.
- (b) The two ginneries were leased to M/s Asego Holdings Company in November, 1996. The Company has repaid Kshs930,000 and Kshs1,097,223 to the Co-operative Bank of Kenya and the farmers union respectively.
- (c) The SNDCU has not initiated any negotiations with the bank on loan rescheduling and, therefore, it is premature to talk about a write-off.

**Dr. Ochuodho:** Mr. Deputy Speaker, Sir, this is interesting! I find a contradiction in the answers given by the Assistant Minister. In part "a" of his answer, he has said that he is aware that the two ginneries belonging to SNDCU have been auctioned and in part "c" he has said that it is premature, therefore, to talk about a write-off.

Mr. Deputy Speaker, Sir, M/s Asego Holdings Company is a company associated with an ex-senior Government civil servant, who was the tenant and he is the person whom I understand has bought these ginneries. Now that the Assistant Minister is aware that the ginneries have been auctioned because M/s Asego Holdings Company failed to pay Kshs6 million, which it should have paid over six years ago, what action will he take to ensure that the farmers have repossessed these two ginneries?

**Mr. J.D. Lotodo:** Mr. Deputy Speaker, Sir, as I said, acting on instructions from the Co-operative Bank of Kenya, M/s Jones Brokes Consultants Ltd of P.O Box 516, Kisumu, sold the Homa Bay and the Kendu Bay cotton ginneries on 22nd November, 2000. The total purchase price of the ginneries was Kshs15.5 million, broken down as follows:- LR.No.140321/11 and 140322/11 were sold at Kshs6.5 million, and LR.No.143221/11 was sold at Kshs9 million. Therefore, the sale realisation went to the Co-operative Bank of Kenya to offset some of the union's loans which currently stand at to Kshs69,944,826.40.

**Mr. Deputy Speaker:** Order! Mr. Assistant Minister, you have given us very useful information, but you have not answered the question.

**Mr. J.D. Lotodo:** Mr. Deputy Speaker, Sir, we will take the necessary action immediately.

**Mr. Deputy Speaker:** Order! I do not think I will let you get away with semantics! "Necessary action" is not the action the hon. Member has asked for. What action will you take to restore the ownership of these ginneries or the alternative for them to be paid their dues?

**Mr. J.D. Lotodo:** Mr. Deputy Speaker, Sir, we will go by what happened because the farmers agreed with the Co-Co-operative Bank of Kenya that the ginneries be sold. That is what we will abide by and, therefore, there will be no question about it.

**Mr. Twaha:** Mr. Deputy Speaker, Sir, the cotton industry is very important to the economy of Kenya. We have been told that the textile industry is the mother of industrialisation. Our farmers are suffering from the adverse effects of the importation of *mitumba*. When will the Government ban the importation of *mitumba* so as to protect our infant textile industry, which we hope will be the mother of industrialisation in this country?

**Mr. J.D. Lotodo:** Mr. Deputy Speaker, Sir, considering the fact that the cotton industry will be liberalised, the question of banning the importation of *mitumba* does not arise.

**Mr. Deputy Speaker:** Order! How does liberalisation of the cotton industry relate to that question? How do you liberalise the cotton industry?

**Mr. J.D. Lotodo:** Mr. Deputy Speaker, Sir, I am saying that we are giving farmers liberty to grow cotton and the Government will not have power over the industry. The hon. Member has talked about banning the importation of *mitumba* and I have said that, that relates to the textile industry which the Government cannot have any control over.

**Dr. Ochuodho:** Mr. Deputy Speaker, Sir, when other key sectors, such as tea and coffee, have had problems in the past, the Government has come in to bail them out. How come that when the cotton industry is in problems, despite the fact that the KANU/NDP co-operation was launched in Homa Bay and one of the things that were agreed on was the revival of the cotton industry, the Government is not taking action? Could the Assistant Minister consider taking the necessary action so that the farmers can get back the ginneries?

**Mr. J.D. Lotodo:** Mr. Deputy Speaker, Sir, we are not talking about co-operation here, but the Ministry will take the necessary action to assist the farmers. It will provide cotton seeds to the farmers.

**Dr. Ochuodho:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to mislead the House that, by giving out seeds to the farmers, the Ministry will restore the ginneries to the farmers?

**Mr. Deputy Speaker:** I think both of you are talking about the same thing, but only differently.

Next Question!

**Dr. Kulundu:** Mr. Deputy Speaker, Sir, I have not received any answer from the Ministry.

*Question No.419*

RENOVATION OF KAKAMEGA PROVINCIAL HOSPITAL

**Dr. Kulundu** asked the

**[Dr. Kulundu]**

Minister for Medical Services:-

- (a) whether he is aware of the promise made to the House that the Japanese International Co-operation Agency (JICA) would renovate Kakamega Provincial Hospital; and,
- (b) what plans he now has to renovate the out-patient department (OPD), the kitchen and the mortuary in the hospital.

**The Assistant Minister for Health (Dr. B. Galgalo):** Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that, in a reply to a Question in this House in October, 1999, I indicated that JICA would renovate the Kakamega Provincial General Hospital after completing the rehabilitation of the Coast Provincial General Hospital. However, I regret to inform the House that JICA has since shifted its focus from renovation of hospitals to renovation of rural health facilities.

(b) The Ministry will, therefore, continue to carry out maintenance work on the out-patient department, kitchen and the mortuary at the Kakamega Provincial General Hospital, as a complete rehabilitation of the hospital is not possible at the moment.

**Dr. Kulundu:** Mr. Deputy Speaker, Sir, this Ministry will never cease to amaze me. On 7th October, 1999, as the Assistant Minister has correctly said, he said the Ministry had approached JICA. He said:-

"I would like to inform this House that we have got a positive response. I would like to assure this House and the hon. Members from western Kenya that once the rehabilitation work is completed at the Coast Provincial General Hospital, the next health facility that will be rehabilitated will be Kakamega Provincial General Hospital".

The Assistant Minister has said that there was a change in policy. This is a major change in policy by any development partner. Could he be kind enough and table the correspondence communicating the change of policy from JICA to the Ministry so that we can scrutinise it?

**Dr. B. Galgalo:** Mr. Deputy Speaker, Sir, I am unable to provide what the hon. Member is asking for at the moment. But the truth of the matter is that, as a Ministry, we appreciate the poor condition of Kakamega Provincial General Hospital, and because of that, we went out to look for donors to help us to rehabilitate that facility.

Mr. Deputy Speaker, Sir, initially, JICA had agreed to help us when they were working on the Coast Provincial General Hospital in Mombasa. Upon completion of that work at the Coast Provincial General Hospital, they were advised after a study was done by Amref, that it would not be cost-effective for them to start working on major projects in big hospitals. They were advised that the better option was to focus on rural health facilities. So, they

abandoned that project which they had initially indicated to us and undertook to start rehabilitating rural health facilities. I totally agree with the hon. Member that the condition of the hospital is bad. Our new Minister for Medical Services personally toured the hospital a few weeks ago and he came back with a report which we have discussed at the Ministry. We have decided that we will go out actively to look for funds to rehabilitate that facility.

**Dr. Kulundu:** Mr. Deputy Speaker, Sir, the reason why the Assistant Minister is not able to table any document from JICA is because there is no such documents. There has been no such shifting policy. What the Assistant Minister had done was to divert JICA assistance to politically-correct constituencies in this country.

Mr. Deputy Speaker, Sir, the Assistant Minister knows that his senior Minister got assistance from JICA to the tune of Kshs72 million for various health centres. Ngong Health Centre got Kshs19 million. There is some other obscure health centre in Trans Mara which got Kshs20 million. How come that when it comes to Kakamega Provincial General Hospital, there is no money and yet the Ministry is able to get money to assist politically-correct constituencies?

**Dr. B. Galgalo:** Mr. Deputy Speaker, Sir, if the hon. Member was listening, I said that JICA shifted its policy from supporting tertiary facilities to rural health facilities. Unfortunately, as a Ministry, we are not able to manipulate donors. If we were able, we would have manipulated them to take over Kakamega Provincial General Hospital.

**Dr. Kulundu:** On a point of order, Mr. Deputy Speaker, Sir. Is it in order for the Assistant Minister to continue misleading this House that there was a shift in the JICA policy, when he is not able to table any documents before this House? Could he, please, table any document from JICA indicating that they are shifting from tertiary facilities to rural health facilities?

**Dr. B. Galgalo:** Mr. Deputy Speaker, Sir, JICA is not an arm of the Government; it is an independent body to which we go and plead for assistance. In this case, they directed their assistance to other facilities.

**Mr. Deputy Speaker:** Order! Order, Mr. Assistant Minister! Nobody is doubting JICA's independence over the Kenya Government. Dr. Galgalo, the hon. Member is asking you to satisfy the House that, in fact, what you have said now, which is different from what you said in 1999, is, as a matter of fact, the position as at now.

**Dr. B. Galgalo:** Mr. Deputy Speaker, Sir, probably what I can do is to ask JICA to give us the official communication on this.

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

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

*(Loud consultations)*

**Mr. Deputy Speaker:** Order! Hon. Members, look at the clock! Let us hear from Mr. Gatabaki!

*Question No.356*

#### DIVERSION OF WATER SUPPLY IN NAIROBI

**Mr. Gatabaki** asked the Minister for Local Government:-

(a) whether he is aware that the supply of water to various estates and consumers by the City Council of Nairobi has been obstructed by illegal diversions leading to unnecessary stoppage of water;

(b) whether is he further aware that despite various complaints to the General Manager, Water and Sewerage Department of the City Council, by the affected consumers, no action has been taken to identify and punish the culprits; and,

(c) what action he will take to ensure that all illegal diversions of the water are stopped henceforth and the culprits punished accordingly.

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

(a) Yes, I am aware that there are illegal diversions of water within the City Council of Nairobi.

(b) No, I am not aware that the City Council of Nairobi has not acted on complaints from water consumers who have been affected by these illegal diversions.

(c) The City Council has intensified reinforcement measures to ensure that those involved in illegal diversions, and particularly in former settlements, are prosecuted.

In addition, the Government, with the support of the World Bank, has commissioned a private sector participation study on the water situation in Nairobi City with a view to recommending the best option of managing water services in the City.



**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, I would like to advise the Assistant Minister, when he is answering the Question, to avail a written reply to us so that we can go through it. However, most Members of Parliament in this House are victims of water diversion. When they wake up in the morning or in the evening, they find taps dry because there is no water. This situation persists in estates like Muthaiga, Kariobangi and everywhere. Yet this Assistant Minister has the audacity to say that he is all aware. How can this Government take Kenyans for granted? Please, let the Assistant Minister do a bit of survey and then come back and answer this Question properly.

Having said that, could the Assistant Minister assure this House that all the water from all reservoirs, comes through the taps and is used entirely by the people of this great City and that no water goes anywhere else? That is what he is saying! Could the Assistant Minister assure this House that no water is diverted anywhere else?

**Mr. Hashim:** Mr. Deputy Speaker, Sir, the City Council has taken stiff action on this matter. Last month, 18 people were arrested, and their cases are going on.

**Mr. Deputy Speaker:** Mr. Assistant Minister, just answer the hon. Member's question. You may have very useful information before you, but just answer the hon. Member's question.

**Mr. Hashim:** Mr. Deputy Speaker, Sir, we are strengthening the surveillance and enforcement units through provision of necessary resources, lack of which had also hindered the operations. The units have so far preferred charges against the culprits who have been found in the City of Nairobi using water illegally.

**Mr. Deputy Speaker:** Answer his question! Could you give this House an assurance that water meant for Nairobi City residents is not diverted other places?

**Mr. Hashim:** Mr. Deputy Speaker, Sir, we have made all the necessary arrangements with the relevant insurance companies to guard against any misuse. This is because, at the moment, we are not in the position of stating that the Ministry is going to take quick action because there is a technical problem, but the Ministry in liaison with the City Council, is undertaking the study.

**Mrs. Mugo:** On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to mislead this House that water meant for Nairobi City Council residents is not being diverted when those who are diverting the water are being arrested? The water supply to Dagoretti Primary School has been diverted by City Hall Staff, in cohorts with other people for more than a year and that school is not getting water because the water is being sold just outside the school. I have raised this matter many times with officers at City Hall, but no action is being taken.

The same situation prevails in Suna Estate, because for over two years the residents have never had any water because it is being diverted. Does it mean that the Assistant Minister does not know what is happening? Could the Assistant Minister tell this House what action he is going to take to ensure that the Muslim School and Suna Estate get constant supply of water?

**Mr. Hashim:** Mr. Deputy Speaker, Sir, the Minister is aware of the problem. The Ministry, in consultation with the residents associations, is dealing with the matter. We will ensure that such a problem will be a thing of the past.

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, we have seen it happen in every town; diversion of water is the order of the day. Nakuru is a clear example where one of the most powerful Kenyans has diverted most of the water to his farm. The City Council of Nairobi (NCC) gave a notice of 30 days to the residents of the City to pay up their water bills otherwise supply would be disconnected. Could this Assistant Minister tell the City fathers and whoever is involved in the management of the Capital City of Nairobi to render services at all times and not to violate the rights of the residents to consume water as and when the NCC feels like? If they want money, they should render services.

**Mr. Hashim:** Mr. Deputy Speaker, Sir, I did not get his question properly. Could he ask it again?

**Mr. Deputy Speaker:** Mr. Gatabaki, could you repeat your question? Repeat your question only and not your speech!

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, everybody knows about the notices which are given by the NCC.

**Mr. Deputy Speaker:** Mr. Gatabaki, ask your question!

**Mr. Gatabaki:** Mr. Deputy Speaker, Sir, is the Assistant Minister aware of those notices? How could he give notices to people who do not consume water because they are not supplied with it?

**Mr. Hashim:** Mr. Deputy Speaker, Sir, I said that serious measures are being taken to ensure that there is no diversion of water. I have also said that there is a technical problem and the Ministry is working closely with the NCC to solve it.

*Question No.399*

EXPANSION OF THIKA SEWERAGE SYSTEM

**Mr. Ndicho** asked the Minister for Local Government:-

- (a) whether he is aware that the Thika Sewerage System was constructed before Independence when Thika population was 15,000 people as opposed to over 200,000 people currently,
- (b) whether he is further aware that due to the increase in population, the system is overloaded and always bursts, especially during the rainy season; and,
- (c) whether he could institute immediate remedial measures to expand the sewerage capacity.

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

- (a) Thika sewerage system was constructed before and after Independence.
- (b) I am aware.

(c) My Ministry, in consultation with the Municipal Council of Thika commissioned a surveillance master plan to cater for participation in development in the year 2023.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, you have heard the Minister admit that the sewerage was constructed before and after Independence. What does that exactly mean? I presume that he has admitted that already there is a problem. Part "b" of the Question says that we have a problem of sewerage that bursts during the rainy season, which has just started. I would like to inform this House that Makongeni and Majengo Estates' sewerage systems burst when the rains fall. Now that the Assistant Minister has admitted that his Ministry and the Thika Municipal Council have commissioned a plan to rebuild the sewerage system, how much money will it cost?

**Mr. Hashim:** Mr. Deputy Speaker, Sir, the estimated cost of implementing the new sewerage master plan, which the council has duly approved, is Kshs2.3 billion. As an institution, Thika Municipal Council is not in a position of raising this money and the Government of Kenya is also not in a position of raising this money. So, we are looking for donors to fund this project.

**Mr. Ndicho:** Mr. Deputy Speaker, Sir, the Assistant Minister has said that the project will cost Kshs2.3 billion. He has also said that both the council and the Government are unable to undertake the gigantic construction of the new sewerage system. I would like to say that Majengo and Makongeni Estates, where majority of the people of Thika live, are suffering because of the sewerage system which bursts. Now that the council and the Government are unable to raise money for this project, could the Assistant Minister tell us what he wants the Kenyans who live in that part of the country to do if their sewerage system cannot be repaired? This system bursts, especially during the rainy season. Could we form our own region or *jimbo* so that we can look for our own money?

**Mr. Hashim:** Mr. Deputy Speaker, Sir, this is a very big project and the Government is looking for external funding. The council is already pursuing this project. If there is any other alternative, Mr. Ndicho can forward his proposal to the Ministry so that we can see how best we can implement it.

*Question No.443*

STD FACILITY FOR THARAKA

**Mr. Deputy Speaker:** Order! Order! Mr. Mwenda's Question is deferred. Hon. Members, as you probably saw yesterday, Mr. Mwenda had a sling on his arm as a result of a road accident, and he had to go and see a doctor. I agreed with him that if he will not be here by the time I call his Question out for the second time, I would defer it.

*(Question deferred)*

Let us move on to Questions by Private Notice!

**QUESTIONS BY PRIVATE NOTICE**

DEATH OF MR. CHANGALWA WOSULA

**Dr. Kituyi:** Mr. Deputy Speaker, Sir, I beg to ask the Minister of State, Office of the President the following Question by Private Notice.

- (a) Is the Minister aware that Mr. William Changalwa Wosula who was arrested by police in Khwiroro Village of Kimilili ostensibly for drinking illicit alcohol, was severely beaten up and later died in Kimilili Police Cells?
- (b) What action has he taken against the perpetrators of this murder?
- (c) Why did the police return Mr. Wosula's body to Webuye District Hospital for a second postmortem examination after the remains had been taken home?

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware of the arrest, but I am not aware of the beatings.

(b) An inquest file No.7/2001 has been opened and investigations are still in progress.

(c) Because the relatives of the deceased managed to enter and convince the mortuary attendants to release the body and they went and conducted their private postmortem without the knowledge of the police, the police decided later on to get the body back and a second postmortem was done by the Government pathologist in the presence of the relatives and their private doctor.

**Dr. Kituyi:** Mr. Deputy Speaker, Sir, I promised the hon. Minister that I would try to be very diplomatic and friendly with him. But it is very difficult when a Government statement is full of falsehoods. I was informed of the date and time of the postmortem by the deputy spokesman of the Police Force in Kenya, Mr. Indidis. Is it being suggested to this House that Mr. Indidis could know when a postmortem was being done and the local police could not so that it is just being alleged that a body was stolen from a mortuary for a postmortem? Could the Minister confirm or deny that the OCS, Kimili Police Station insisted that because the postmortem results showed that this man had died because of broken ribs and a ruptured spleen, they wanted to take it back to try and find a convincing postmortem result that he did not die as a result of beatings in a police station?

**Hon. Members:** Shame!

**Dr. Kituyi:** Mr. Deputy Speaker, Sir, the more fundamental question I am interested in, forget about these skirmishes, is that a man is arrested in a drinking place, he is beaten and killed in a police station, the police officers who arrested him and beat him are known, why has the Government added insult to injury by allowing the same police officers who were involved to go to the homestead to intimidate the family to falsify the report about what happened? If he wants to hide the evidence, why does he not use other officers other than the ones who killed him?

**Mr. Deputy Speaker:** Order! Dr. Kituyi, you have asked your question.

**Maj. Madoka:** Mr. Deputy Speaker, Sir, I am not aware that the hon. Member was told by the deputy police spokesman about the postmortem. All I know is that a postmortem was done privately and the OCS having found out, ordered for the body to be brought in for a second postmortem. But if that is the information he has, I will have to check and establish as to who is telling the truth.

**Dr. Kituyi:** Mr. Deputy Speaker, Sir, I will not enter skirmishes about that. I am just making a request to the Minister. An innocent citizen has been killed by the police in a police station, and he may not know what happened. I just want to make one request. Could the Minister undertake and ensure that the officers who are principal suspects for the killing of Mr. Changalwa are either interdicted or [Dr. Kituyi] transferred from Kimilili Police Station until investigations into the murder and the charging, if need be, are completed to restrain us from killing them?

**Maj. Madoka:** Mr. Deputy Speaker, Sir, I would only do that after I have established the full circumstances and the information he has given me.

**Mr. Deputy Speaker:** Next Question, Mr. Anyona!

#### HARASSMENT OF DAGORETTI HAWKERS

**Mr. Anyona:** Mr. Deputy Speaker, Sir, I beg to ask the Minister of State, Office of the President the following Question by Private Notice.

(a) Is the Minister aware that, according to a complaint signed by 41 Dagoretti Corner hawkers dated 2nd July, 2001, officers from Karen Police Station are harassing hawkers in the area by arresting them and demanding Kshs1,000 from each, confiscating their wares and charging them in court for failure to give bribes?

(b) Could he investigate this matter and inform the House the disciplinary and legal measures he has taken against the police officers involved in this corruption and harassment of *bona fide* hawkers in Dagoretti Corner and other parts of Nairobi City Council?

**Mr. Ndicho:** On a point of order, Mr. Deputy Speaker, Sir. Are you not breaking the Standing Orders of the House by calling for the next Order?

**Mr. Deputy Speaker:** Order! Order, Mr. Ndicho! I believe you are some kind of a student somewhere. I think they should teach you to have patience and to offer your services when they are required.

(Laughter)

**The Minister of State, Office of the President** (Maj. Madoka): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am not aware.

(b) I cannot investigate until we have got the necessary complaint before we have not received it yet.

**Mr. Deputy Speaker:** Order! Order! It is now 3.30 p.m., and we must move on to the next Order. Mr. Anyona's Question and that of Mr. Mutahi have been deferred to Tuesday, next week.

#### COMPLETION OF MUKURWEINI HOSPITAL MORTUARY

(**Mr. Mutahi**) to ask the Minister for Medical Services:-

(a) Is the Minister aware that inpatients are forced to share wards with dead bodies in Mukurweini Sub-district Hospital?

(b) When is the stalled mortuary and theatre going to be completed?

*(Question deferred)*

Next Order!

#### COMMITTEE OF SUPPLY

*(Order for Committee read  
being Thirteenth Allotted Day)*

#### MOTION

THAT MR. SPEAKER DO NOW LEAVE THE CHAIR

Vote 30 - Ministry of Energy

**The Minister for Energy** (Mr. Raila): Mr. Deputy Speaker, Sir, I beg to move that Mr. Speaker do now leave the Chair. My Ministry has the mandate to exploit and develop all forms of energy in the country to improve the economic and social welfare of Kenyans. To this end, we are committed to ensure that adequate and reliable supplies of energy are available to all sectors of the economy at cost-effective prices which also take into account the need for social equity.

Mr. Deputy Speaker, Sir, currently the main sources of energy in Kenya are wood fuel, petroleum and electricity. While solar energy is extensively used for drying purposes and its attractiveness for providing electricity to meet basic needs is growing, wind and biogas are also used to a limited extent as alternative energy sources. Biomass energy which virtually dominates the rural economy is also a major source of energy for the household, small-scale services and informal sector.

Before I present the breakdown of my budgetary requirements for the 2001/2002 Financial Year, I would like to highlight the salient features of the country's energy sector. I will begin with the petroleum sub-sector. As we all know, our country is a net importer of petroleum products which are the dominant source of commercial energy in the country. Over the years, petroleum has accounted for about 80 per cent of the country's commercial energy requirements. Its impact on the balance of payments is very significant as it consumed 24 per cent on average of the total export earnings over the last five years. To mitigate its adverse effects on the balance of payments, the Government has continued to undertake and promote hydrocarbon exploration since 1954. To date, 30 exploratory wells have been drilled in Kenya with promising geological results thus giving justification for continued drilling.

Mr. Deputy Speaker, Sir, in his presentation of the Ministry's Budget for the last financial year to this House, my predecessor reported that on 11th July last year, the Government signed an agreement with a British oil exploration company; STAR Petroleum for oil exploration in three blocks in Lamu and Kwale covering both onshore and offshore areas. Since then, we have also concluded negotiations with another British company, DANA for one offshore exploration block to the north of Malindi and with an Australian company; Affrex for three exploration blocks all situated along the Coast. Block 11 which is situated in Turkana District has also attracted interest from an American company and negotiations are in progress. It is our hope that these efforts will eventually lead to the discovery of hydrocarbon deposits of commercial value.

Mr. Deputy Speaker, Sir, petroleum prices were deregulated in October, 1994, and since then oil companies have been free to determine and set consumer prices at both retail and bulk consumer levels. It has, however, been noted that the domestic petroleum market is still far from being competitive since both the pace and magnitude of consumer price adjustment are still largely determined by a few well-established oil marketing companies. The

Government is committed to ensuring that many more players are licensed in order to promote meaningful competition in the industry. Licensing of more players alone has been found to be inadequate in promoting competition and the high capital cost needed for market entry appears to be the biggest barrier to competition. To address this problem, the Government through the National Oil Corporation of Kenya (NOCK) is putting up a truck loading facility in Nairobi, while another one is planned for Mombasa.

Mr. Deputy Speaker, Sir, while liberalisation of the oil industry has resulted in an increase in the number of companies licensed to conduct domestic oil trading business, it has led to proliferation of illegal and substandard filling stations. These stations have been operating without observing adequate health and safety standards and they are also totally lacking in environmental standards. To address this problem, my Ministry, in consultation with other licensing authorities, is taking action on this issue, which includes closing down all filling stations that do not meet the prescribed standards.

Another important observation which I would like to make is that the quality specifications of locally produced petroleum and automotive diesel are below international standards. The Government is not only investigating various options for enhancing the quality of the two products, but it is also addressing the feasibility of increasing the production of white oils from each barrel of crude imported and processed at the Kenya Petroleum Refineries Limited. The Government and its private shareholder partners recognise that without upgrading the oil refineries to meet these challenges, the future of Kenya Petroleum Refineries will be bleak.

Mr. Deputy Speaker, Sir, I would now like to comment on the electricity subsector. While the severe drought experienced last year was the primary cause of massive power rationing, our inability to attract adequate investment in new generating capacity also made a significant contribution to the problem. According to our existing Least Cost Power Development Plan, we should have developed at least 260 megawatts of oil-fired medium speed diesel capacity by December 1999. But only one 75-megawatt plant has been commissioned by that date. After protracted negotiations, a power purchase agreement was executed between the Kenya Power and Lighting Company (KPLC) and Tsavo Power Company for the construction of a 75-megawatt medium speed plant called Kipevu II. According to the initial plan, the 75 megawatt power plant should have been commissioned by December, 1999, but due to additional demands by the developer, this was rescheduled to April, 2000, on the basis of a power purchase agreement signed in November, 1998.

However, progress in this project was hindered by additional stringent demands which were raised by the project financiers on the issues of payments and investment guarantees thus necessitating a renegotiation of a new power purchase agreement. Eventually, implementation of the 75-megawatt project commenced in the second half of year 2000 and was completed by the end of August 2001.

Mr. Deputy Speaker, Sir, I now wish to report on our negotiations with the second independent power developer for the two 55-megawatt plants which were to be located at Lanet and Eldoret and be ready to dispatch power by December 1999. After extensive and protracted negotiations with the developer, we got very close to signing a power purchase agreement in 1999. However, to our surprise, the developer put forward additional demands for an increase in the tendered tariff which could not be accepted because they violated the norms of international competitive bidding. At the same time, the developer informed the KPLC of his inability to raise adequate funds to develop the two plants and because of the rejection of his demand for tariff increase, he formally pulled out. These undesirable demands by the developer partly contributed to the acute power shortages in the year 2000.

Mr. Deputy Speaker, Sir, despite this setback, we have another Independent Power Produce (IPP) by the name of OrPower 4 on site at Olkaria developing a 48-megawatt geothermal power plant, in parallel with a 64-megawatt geothermal plant being constructed by KenGen. This IPP is already injecting 12 megawatts of the intended 48-megawatt into national grid. The two plants are expected to be fully commissioned by the year 2003.

Mr. Deputy Speaker, Sir, as hon. Members are aware, KenGen is constructing a 60-megawatt hydro-power plant on River Sondu Miriu which is scheduled for commissioning in the year 2004.

Our experience to date with IPPs calls for the development of a new strategy as proposed by the hon. Minister for Finance in his Financial Statement to this House in June, last year. If we are to expect future investments in new generating capacities to avert power crisis in the future, the Government will have to review and consider measures which inter alia should include provision of Government guarantees to foreign investors and mobilisation of domestic resources available to institutional investors. In particular, the Electric Power Act of 1997 needs to be reviewed in order to provide for the necessary payment securities or guarantees. The positive aspect of such guarantees is that apart from providing the investor with some degree of confidence or comfort, they also result in lower tariffs largely because they underwrite the so-called political risks. My Ministry, in consultation with the Treasury and the Attorney-General's Office, will prepare a Bill to amend the Electric Power Act of 1997 in order to provide for sovereign guarantees. The Government will also pursue the issue of the World Bank provided guarantees on a long term commitment basis as an alternative to Government guarantees.

Mr. Deputy Speaker, Sir, my Ministry is also involved in bilateral and trilateral negotiations to enhance power imports. Negotiations with Uganda for importation of 50 megawatts of power in 2005 have been completed, while we have been holding negotiations with Tanzania and Zambia for importation of power through power grid interconnections. A feasibility study for a 150-kilometre, 220 kilovolts inter-connector between Nairobi and Arusha is already in progress. The three countries are committed to having power grid inter-connectivity within the shortest time possible. This line will enable us to access power, not only for both Tanzania and Zambia, but also from the South African power pool particularly during severe droughts.

On the Rural Electrification Programme, since its inception in 1973 nearly 28 years ago, 77,006 customers had been supplied with electricity through the Rural Electrification Programme by June, 2001 at a cost of Kshs5,982 million equivalent to Kshs78,000 per customer. This low penetration level is attributed to the high cost of network extension. Currently, it costs more than Kshs1 million on average, to construct a kilometre of an 11 KV or 33 KV line. Put in another way, the average cost of supplying a rural consumer has gone up and currently stands at Kshs180,000; a figure close to eight times the per capita income in the year 2000.

Mr. Deputy Speaker, Sir, this is a subject---

### QUORUM

**Mr. Kibicho:** On a point of order, Mr. Deputy Speaker, Sir. We are discussing a very important Motion but we do not have a quorum.

**Mr. Deputy Speaker:** We do not have a quorum. Ring the Division Bell.

*(The Division Bell was rung)*

**Mr. Deputy Speaker:** Order! We have a quorum now. You may proceed, Mr. Raila.

**The Minister for Energy (Mr. Raila):** Mr. Deputy Speaker, Sir, the Rural Electrification Programme also incurs higher operating costs when it has stalled than when the Kenya Power Lighting system fails. For example, over the period 1997/98 to 1999/2000, the average cost of selling a kilowatt hour under the Rural Electrification Programme was Kshs9.51 as opposed to Kshs5.74 under the Kenya Power and Lighting system. Under the isolated programmes and schemes, the cost was even higher, at Kshs31.7 per kilowatt hour. Because of high maintenance and operating losses between 1996 and 2000, 63 per cent of the resources accruing from the 5 per cent levy on electricity sales introduced in 1998 under the Electric Power Act, 2 per cent of the Kenya Power and Lighting Company's gross sales revenues discounted after June 1998 and appropriations by Parliament through the national Budget are used to finance the net operating losses, thus leaving very little funds for the system expansion. This is a serious problem that should be addressed in order to accelerate the pace of rural electrification to reach a coverage target of at least 40 per cent by the year 2020 from the current 4 per cent.

Mr. Deputy Speaker, Sir, at the moment, the programme lacks a transparent criteria for allocation of funds, and this has caused frustrations to the applicants. Because the large numbers of projects submitted every year through the District Development Committees for funding can hardly be implemented given the resource constraints. There is, therefore, a need for the establishment of a comprehensive criteria for allocation of funds to the districts and other self-help groups. The challenge, therefore, is to ensure that, once these criteria are developed, they will be followed and implemented to the letter for the benefit of all stakeholders. Furthermore, the current institutional arrangements for rural electrification are unsatisfactory since there does not exist a fully-fledged Government department or organization explicitly dealing with resource mobilisation, system expansion and operation.

Currently, an Inter-ministerial Committee, including the Kenya Power and Lighting Company which also doubles up as the implementing contractor or agency, is running the programme. There is, therefore, need to establish a Rural Electrification Agency within the Ministry of Energy to be in charge of the programme and to delink it, completely, from the Kenya Power and Lighting Company.

Mr. Deputy Speaker, Sir, to administer the allocation of funds to the districts and self-help groups in a transparent manner, the Government will apply the following criteria:

1. 10 per cent of the total annual budget estimates will be set aside by the proposed Rural Electrification Agency for the disbursement to exceptionally needy projects or those requiring emergency support on account of disasters, which will not normally be funded through district allocations. The Rural Electrification Agency will be expected to exercise due diligence and equity in allocating funds to projects not related to disasters. Minutes of meetings allocating these funds shall be well documented for review by the Auditor-General Corporations. Each District will be expected to use the existing rural electrification master plan, regularly update it to include non-grid

supply sources, taking into account the need for social equity.

2. 5 per cent of the total annual budget estimates will be set aside for funding isolated community based integrated renewable energy power generation and distribution schemes. Contribution by the Rural Electrification Agency will be capped at 75 per cent, with the community contributing the balance. In granting these funds to self-help groups, primary consideration will be given the potential of such projects to improve the local economy by creating income generating activities and improving the quality of life.

3. The Government recognises that districts are at different levels of development and therefore, have varied needs for socio-economic support, including provision of basic infrastructure. Cognisance of this situation, 85 per cent of the annual budget estimates excluding donor-funded projects will be channelled directly to the districts by the Rural Electrification Agency on the basis of the following criteria:-

(a) District Population - 34 per cent of the total points.

(b) District Size - 33 per cent.

(c) District with the smallest network based on power supply in kilowatts ampere - 33 per cent.

This is an inverse allocation relationship through which the district with the largest power network concentration will receive the lowest number of points under this criteria. The districts falling between the districts with the lowest and the highest network will be allocated the 33 per cent pro rata based on the inverse relationship.

Mr. Deputy Speaker, Sir, the Government recognises that due to the nature of human settlements, national grid extensions may not necessarily be the best economic option for supplying electricity to some rural communities. The Rural Electrification Agency, will, therefore, be expected to explore least cost supply options, taking into account specific needs of certain areas, including the potential for re-using electricity for irrigation and in support of off-farm income generating activities. Such supply options will include among others, small hydros and hybrid systems comprising renewable and oil fired components.

The Government will continue to seek donor funding to augment its resources for rural electrification. Projects for implementation using donor funds will be selected on the basis of the Rural Electrification Master-plan that will be updated annually by the Rural Electrification Agency.

Mr. Deputy Speaker, Sir, may I now comment on the renewable energy sector. Renewable energy consists of those forms of energy that are self regenerating and self replenishing and which occur naturally in their primary form. Most of these energy forms are used directly and without any further processing. Whenever value adding processes are undertaken, they are aimed at enhancing the concentration and versatility in use. Renewable sources of energy account for over 70 per cent for the commercial electricity generated in the country. Kenya derives most of its energy from both new and renewable sources. These include: Wind Energy 0.4 megawatts, Hydro power 694.5 megawatts, geothermal 57 megawatts, solar energy approximately 3 megawatts at peak, the current demand for biomass is estimated at 32 million tonnes relative to the sustainable supply of 16 million tonnes. The deficit is offset from other sources like agricultural waste and depletion of stock especially in the forest reserve which is unsustainable. Other sources are geothermal, renewable energy conservation, wind energy, wood fuel, hydro, solar and biomass.

Mr. Deputy Speaker, Sir, having made these remarks, I now wish to elaborate on the activities for which I seek the financial support of this House for the Financial Year 2001/2002. I am seeking the authority of this House to spend a gross amount of Kshs8,525,992,309 and Kshs130,454,544 for both Development and Recurrent Votes respectively. Under Head 428 on Headquarters Administration Services, we require Kshs1,180,257,724 to support the on-going Energy Sector Reform Programme. The programme includes studies on supply and demand for energy for households, small-scale industries and service establishments.

Under Head 429, we require Kshs10 million to undertake energy assessment studies in the country, identify, generate and assemble information required for updating energy data base use for planning and decision-making.

We require under Head 426, through the National Oil Corporation of Kenya, Kshs100 million in the current financial year. In addition, I am requesting for Kshs125 million to finance the construction of truck loading facilities which are needed to support market entry by small indigenous oil companies.

Under Head 427, we are requesting for Kshs21 million to enable the Ministry to gather data and information on petroleum and coal exploration and promotion of our petroleum acreage to interested companies.

To support the foregoing activities, my Ministry requests to spend a gross sum of Kshs130,454,544 of which Kshs76,641 is Appropriations-In-Aid from the rental income of the Kipevu Oil Storage Facility and Miscellaneous Expenditure.

I now beg to move.

**The Assistant Minister for Labour and Human Resource Development** (Mr. Chanzu): Mr. Deputy Speaker, Sir, I beg to second the Vote of the Ministry of Energy. This is a very important sector in the economy of this

country, especially in this era of industrialisation. Therefore, it is important that we bear in mind that what the Ministry is requesting for is not sufficient because, like in the aspect of electricity, it is desired that, at least, every Kenyan has access to electricity. This will require more resources than the Minister is asking for. The plans which are under way to generate more electricity should also be looked into in detail, so that we are able to generate more electricity to meet the local demand. We do not want a situation which we experienced last year, the experience of power shortages which led into very stiff rationing. That had a very devastating effect on the economy and we would like measures put in place which should lead to more supply of energy or electricity to the economy.

The liberalisation measures which were put in place at the time when we had problems is a welcome idea and we would like to see more of the Independent Power Producers (IPPs). That will, definitely, in the long-term, cut down on the cost of electricity and, therefore, make it affordable to most of the Kenyans. That will spur growth because sectors like Jua Kali which are new in our economy need to be encouraged in order that we do not rely on imports. The petroleum sector is also another aspect for which we should provide an enabling environment for the locals to enter into. Therefore, we must provide funds for the work being done or being carried out by National Oil Corporation of Kenya. We should also provide more funds for loading arms like the ones which are being constructed in Nairobi, to enable the local companies to be able to access the products much more easily than it is the case at the moment.

Finally, regarding the efforts being put in place by the Ministry and the Kenya Pipeline Company, I am sure that the extension of the pipeline which is now in progress; extension to Kampala and so on, will be very economical. It will be very advantageous to the country. It will make it easier for us to move the oil from Mombasa to wherever it is required. The earnings from it will go a long way towards the improvement of the economy of this country.

With those few remarks, I beg to second.

*(Question proposed)*

**Mr. Muite:** Thank you, Mr. Deputy Speaker, Sir, and I hope you have noticed the repeated lack of quorum in this House when we are debating important Votes of the various Ministries. We need to re-examine ourselves as the National Assembly, as to why the House is being hit by lack **[Mr. Muite]** of quorum when we are discussing about money. I would like to point out that the Leader of Government Business, his Deputy or the other person in command, are not here. I would like to suggest that we re-examine our Standing Orders and see whether time has not come, when we should restore an effective Committee on Budget and Finance, so that these Votes of the various Ministries can go to a small Committee and get scrutinised by that Committee which will ask the Ministry questions. It can also put the Ministry to task; no Minister should be given a shilling before they account for every shilling that we gave them the previous year. This is what they should be put through. That Committee can then come and take us through these Votes and highlight the controversial items so that we, as a Parliament, can truly be effective because they are too many for us as individual hon. Members, to scrutinise these Ministries. We can ask the relevant questions and be effective as a check on the Executive.

Having said that---

**Mr. Deputy Speaker:** Let me remind you, Mr. Muite, that, in fact, in your Standing Orders, the section establishing Departmental Committees gives them the mandate to examine everything that goes on in the Ministry, including the Budget.

**Mr. Muite:** But you will notice that when we set up these Departmental Committees---

**Mr. Deputy Speaker:** I merely wanted to point it out to you, what the actual position is. There is no argument!

**Mr. Deputy Speaker:** Order hon. Muite! The Standing Orders are very clear on this matter! They state what the actual position is, and there is no argument about it!

**Mr. Muite:** Mr. Deputy Speaker, Sir, I appreciate---

**Mr. Deputy Speaker:** Order, hon. Muite! Just proceed!

**Mr. Muite:** Mr. Deputy Speaker, Sir, I was trying to point out, through the Chair, to the Leader of Government Business that when we were setting up the Departmental Committees, we did away with the Budget Committee. I am suggesting to the Government that we should restore the Budget Committee.

**Mr. Deputy Speaker:** Order, hon. Muite! You should make that suggestion to the Standing Orders Committee of this House. They are the ones responsible for setting up Departmental Committees and not the Government. So, the responsibility and the onus rests on this House!

**Mr. Muite:** Mr. Deputy Speaker, Sir, I am discharging that responsibility as the Member of Parliament for Kabete Constituency. I am now suggesting that to this Parliament so that we can be effective.

Mr. Deputy Speaker, Sir, this Ministry should look for means and ways of reducing the cost of energy in this



country, particularly electric energy. When the cost of electric energy goes up, the cost of everything else goes up! Manufacturing becomes uncompetitive. It should be borne in mind that our horticulture, coffee to a large extent and floriculture depend on irrigation which is highly dependent on energy. So, if we reduce the cost of energy, then we will make our goods very competitive. If this Ministry is aiming at assisting the economy of this country to grow, then it must look for ways and means of reducing the cost of energy in this country. Of course, there are various ways they can do that. Besides importing power from the South African power pool, they should examine the possibility of entering into negotiations with the Ugandan Government which is in the process of developing new generating units over River Nile. Why can we not ask the Ministry of Energy to explore the possibility of striking a deal with Uganda which is next door so that the two countries can jointly raise the money in the international money market to develop that hydro-generation of power over the River Nile? We can all share in the generation over the River Nile. If it is cheaper, the Government should explore that possibility, in return we can swap shares. There is no reason why Uganda cannot be given shares in the oil pipeline that is going all the way from Mombasa to Kampala! There is also no reason why Uganda cannot be given shares in the oil refinery in Mombasa, in exchange of shares in these new generating plants. Hydro-power is one of the cheapest sources of energy. These are the areas that should be investigated in order for us to bring down the cost of energy in this country.

Mr. Deputy Speaker, Sir, when the Minister moved his Ministry's Vote, I did not hear him ask for any money to invest in the research of solar energy. It is a shame that in a country that lies across the equator, we have got to import solar panels from countries like Japan. What research has this Ministry undertaken to encourage local production to tap solar energy, given the fact that 12 months in a year, we have got this source of energy? Should we not as a nation, be paying a premium to invest in research on how we can maximise utilisation of solar energy? That is a resource which is available to us. I would like to encourage the Ministry to include this item in the Budget for next year. They should travel around the world and pay money to the best brains to come and do research here on how we can maximise the use of solar energy because that is available to us.

Mr. Deputy Speaker, Sir, the Ministry of Energy should clarify to this House, Kenyans and **[Mr. Muite]** the international community, where they stand on the issue of importing oil from Sudan. Are we, as a country going to permit the importation of oil from Sudan or not? The Ministry of Energy should liaise with the Ministry of Foreign Affairs and International Co-operation and the Office of the President in order to come up with a clear policy on this issue. This is not a small issue! We cannot do business with the Khartoum Government, Garang, the opponents of Garang and everybody else in Sudan! What is our policy on the issue of importing oil from Sudan? We have heard contradictory statements coming from different Ministers of the Government. We would like to know what the position is. Are we the attraction of cheap oil from Sudan because we are part of the COMESA? Are we going to sacrifice the black people of Southern Sudan in the name of importing cheaper oil? I am not advocating a particular position. There is need for a clear policy to be developed and debated in this House with regard to such issues. We do not want such fundamental issues to be the subject of policies that are declared at public fora without any debate in this House. The issue of importing oil from Sudan is a major national issue with implications internationally and nationally. So, we want the Ministry of Energy to initiate debate in this House so that it can have the benefit of input from different Members of Parliament who possess different shades of opinion. By so doing, the decision as to whether we should import cheap oil from Sudan or not will be the result of participatory debate where everybody has had an input. There are two competing schools of thought here. On the one hand, there is the attraction of importing cheap oil. On the other hand, there is the geo-politics which is of interest to the people of Sudan. Anybody who has studied the situation in Sudan can see that there will have to be some form of federalism in that country. The people of Southern Sudan will have to be given some degree of autonomy from their oppressors in the North. So, we need to weigh whether we are not jeopardising our long-term interest as Kenya by doing business with Khartoum instead of sticking with people like Garang in the South where most of the oil comes from. It is our interest as a nation that should take priority rather than the interest of other people including America and the other countries.

*[Mr. Deputy Speaker left the Chair]*

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

Mr. Temporary Deputy Speaker, Sir, one issue that is of great importance to us is the Rural Electrification Programme. The Minister for Energy has outlined to this House the new criteria points that are going to be considered while undertaking this programme. They include, population density---

**The Temporary Deputy Speaker** (Mr. Muturi): Order, Mr. Muite! Your time is up!

**Mr. Muite:** Mr. Temporary Deputy Speaker, Sir, I should be added some more time because there is no

quorum!

*(Laughter)*

**Mr. Kihoro:** Mr. Temporary Deputy Speaker, Sir, it is important for the Government to state very clearly the policy it has in this country with regard to energy development.

Mr. Temporary Deputy Speaker, Sir, I have been scrutinising the Budget and I have not seen what policy the Government is pursuing and how much money it is putting in the development of forests and wood fuel. I believe that 95 per cent of Kenyans come into contact with wood everyday for cooking and even for lighting in some of their houses. It is very important, therefore, that this aspect is looked at by the Government because it takes 20 years to grow a good forest. The Ministry of Energy should ensure that the development of wood fuel is looked into. We should not have a blackout with regard to wood fuel like we did have a blackout in the area of energy consumption last year. The Minister has not told us that it is not going to happen again. It is possible that it can happen again! We already have a water "blackout" in this country. In the estate where I live, there is no water. If you have no water in your tap, the next one to go out will be electricity. So, it is important that the Minister assures this House that wood fuel and charcoal will not be lost. Very soon people are going to be submerged in a situation where they do not have wood.

Mr. Temporary Deputy Speaker, Sir, there is a lot of land in this country which is not being utilised. We do not have to wait until America or Britain comes along to tell what to do. This Ministry should be able to investigate and find ways in which we can be able to develop our land resources and plant forests in order to increase our wood and charcoal resources. When you find one bag of charcoal by the roadside, it is a fact that about ten or so trees have been destroyed. If charcoal is such an important source of energy, then the Ministry should have a policy on its production.

Mr. Temporary Deputy Speaker, Sir, it is important that the Kisumu Molasses Factory is revived. A long time ago, this was a noble project that was supposed to produce 10 per cent of the oil requirements of this country. This was meant to top up the oil which we import. I do agree with hon. Muite that we should not import blood oil into this country from Sudan. Let us import it from Angola or Nigeria. There are very many other African countries where we can import oil from. We should not import blood oil from Sudan, however cheap it is. There must be certain morality on the policies that this Government follows.

Mr. Temporary Deputy Speaker, Sir, the Kisumu Molasses Plant was intended to reduce the oil imports into this country by 10 per cent. That is a project which this Ministry must pursue to ensure that it is reinstated in order to reduce our oil import bill. The solution to our power problems do not lie in getting power from the South African Power Pool.

Mr. Temporary Deputy Speaker, Sir, as we talk about industrialisation, we should be in a position to generate our own power. There are so many sources of energy in this country as mentioned by the Minister. These include geothermal power, hydro-electric power, solar energy, wind and biomass. There are a lot of energy sources in this country. But when we go to the South African power pool, we are denying our people employment opportunities by not extracting our own power. We are failing to use our own raw materials! It is important that we develop our energy resources especially in the area of geothermal power. That is an area that has lagged behind in a big way. You will find that in the projected power development, geothermal power development has lagged behind during this era of independent power producers. These people come in because they are sure that their power will be bought. We have got a lot of geothermal power that has not been exploited in Olkaria. This Ministry should accelerate that process. I know that Japan has been co-operating in the Sondu-Miri Power Project. But it is important that other sources of power available in this country are exploited and harnessed into the power pool.

Mr. Temporary Deputy Speaker, Sir, the Population Census of 1989 did tell us the number of households in this country. We had more than two million households then in this country. I understand that the Rural Electrification Project which was commenced in 1972 has only been able to provide electricity to 77,600 customers and the cost is Kshs78,000 per household. I used to be a valuer a long time ago and I can tell you that Kshs40,000 was enough money to build a permanent house then. When I am told that the cost of supplying power to one family is Kshs78,000, I wonder how many profiteers are standing between the customer and the supplier. There must be so many people who are making a living out of power shortages in this country. They have inflated the cost of supplying electricity beyond the income of an ordinary Kenyan. They have made access to power a luxury for a few Kenyans.

Mr. Temporary Deputy Speaker, Sir, hon. Raila's predecessor in that Ministry, hon. Masakhalia, told us that 8 per cent of Kenyans have got access to electricity while 92 per cent of Kenyans use other forms of energy. I do not understand what he meant by "other" forms of energy. This is exemplified by the situation where the Rural Electrification Programme from 1972 up to now has been able to benefit 77,000 households according to the 1989 census. We should come up with a policy that is going to ensure that Kenyans will have power in their houses in their

lifetime.

Mr. Temporary Deputy Speaker, Sir, if we are thinking about industrialisation, then we should have cheap power. If we have cheap power, then we can computerise and compete with the West and the East. As long as we do not have cheap power, forget about computers and light in your own houses in the evening. Even the 8 per cent who have access to power will be submerged in a certain blackout before long. This Ministry should put measures in place to supply power to the two million households in this country. That is a target that must be achieved as quickly as possible during our lifetime. Without that, industrialisation by the year 2020 will remain a pipe-dream. The reality is that we do not have power 19 years away from 2020. You cannot industrialise on imported power. We should have power as a raw material in this country so that power can be cheap and accessible to all Kenyans.

With those remarks, I beg to support.

**The Minister for Heritage and Sports** (Mr. Nyenze): Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this very important Motion.

Mr. Temporary Deputy Speaker, Sir, I would like to agree with my colleagues that it is impossible for Kenya to industrialise without cheap and plentiful supply of power. I would like to offer a suggestion which will not only make Kenya an industrial country, but also a very prosperous country as well. I am appealing to the Minister for Energy to turn to nuclear power, and I have a reason for that. I know that will raise very many eyebrows. Sources of energy like solar, wind, biomass and others have their limits. For example, you cannot use a gadget that uses a lot of power if you are using solar energy. You cannot iron your clothes, leave alone cooking. Most countries that have done well in the world like those in Western Europe, Japan, United States of America (USA) and Australia use nuclear power. Nuclear power is plentiful, cheap and easy to manage. That is the only solution to any country in the developing world that wants to industrialise.

**Mr. Muite:** We cannot even manage matatus!

**The Minister for Heritage and Sports** (Mr. Nyenze): Mr. Temporary Deputy Speaker, Sir, protect me from Mr. Muite because he is shouting at me, instead of raising a point of order!

**Mr. Muite:** On a point of information!

**The Minister for Heritage and Sports** (Mr. Nyenze): I refuse it!

**An hon. Member:** How can he refuse it after he had accepted?

**The Minister for Heritage and Sports** (Mr. Nyenze): I will take it!

**Mr. Muite:** On a point of information, Mr. Temporary Deputy Speaker, Sir. I would like to inform Mr. Nyenze that it would be dangerous for us to start playing around with nuclear reactors, when we are unable to run the matatu industry and very small manufacturing units in this country! How can we start running before we learn how to walk?

**The Minister for Heritage and Sports** (Mr. Nyenze): Mr. Temporary Deputy Speaker, Sir, I thought it was very useful information but, anyway, it is some information! Let me continue with my contribution, but Mr. Muite, who is a respected Member of Parliament, should not turn out to be a rebel without a cause!

Mr. Temporary Deputy Speaker, Sir, I would like to say that nuclear power has helped in all countries of the world where industrialisation has taken root. Such countries have become rich because of nuclear power. In all international fora, you will be discouraged that nuclear power reactors are dangerous to handle. You will be told that they may explode and finish whole villages! But it is the only cheapest source of power, and I would like Kenyans to start using nuclear power.

The other thing that I would like to talk about is hydro-power, which is nearer to nuclear power. Hydro-power is the other source of energy and we should not target the Tana River only. The way we have gone to Sondu-Miriu and other places with constant supply of water, that is the way forward. That is because in times of drought, we have been getting power rationing. We do not want to experience them in future.

The other thing that I would like to talk about is the Rural Electrification Programme (REP). I would say that although the figure of homesteads that have been provided with power may appear small, being less than 100,000, I think that the REP has done very well, considering the allocations that have been voted by this Parliament. If Members wish that the programme should be expanded, let them vote for more money for the Ministry of Energy. Without money, how do you expect them to provide electricity to every homestead? Those are not industrial concerns that would generate some income. But we are very happy about the small bit that they have done in the rural areas like Kitui West, where I come from. Some villages are lit at night! That is good because if we do not have sufficient rains to ensure there is electricity, we can engage our youth into gainful employment. I would like to say that, that is a very positive step that they have taken. Let us give them more money.

I would like to say that the Kenya Power and Lighting Company (KPLC), which was split into several companies, has done a great service to this nation. I would like to say that under the leadership of Mr. Gichuru, it has

been able to generate a lot of income for this Government. It is only after the drought that people started complaining. The reason was that the Ministry had to go to other sources like thermal and other sources, and it was very expensive to generate and sell to Kenyans.

Having said that, let me point out that the cost of electricity in this country is very high, compared to other countries in East Africa and Africa as a whole. In South Africa, maybe because of the use of coal which is there in plenty, and the low cost of production, their prices are lower. So, I would like the Ministry to examine why Kenya's power production cost is very high, compared with the other countries which produce power using the same sources like hydro and geothermal, but their cost of production is cheaper. So, they sell more cheaply to the consumers.

Mr. Temporary Deputy Speaker, Sir, having said that, oil exploration is linked to the Ministry of Energy. Many Kenyans have been at a loss, wanting to know whether there is oil in Kenya or not. Even when I was a young schoolboy many years ago, I used to hear that there is oil in Kitui and North Eastern Province. If the Minister for Energy could also seek more funds from this Parliament to dig many oil wells--- Unless we sink wells, we will not know whether there is oil underneath or not! It is good that we conduct extensive exploration because we are in the same zone with Sudan. I am sure that all the countries around have oil. I understand that Tanzania has natural gas and oil. I would like more funds to be committed to drilling, so that if there is oil, we will be an oil exporting country. That will solve some of the problems that we have with power.

Mr. Temporary Deputy Speaker, Sir, I also would like to talk about urban centres in my constituency which do not have power supply. Kitui District is a potential industrial giant without water. We can call it a sleeping giant with educated people and very good small upcoming towns! If the shopping centres and upcoming towns can be supplied with electricity, there will not be so many youths from my constituency coming to Nairobi and Mombasa to look for jobs. They will stick and work there. That is a plea to the Minister for Energy because there are many centres which are not connected to electricity. If that is done, I am sure it will go a long way in alleviating poverty.

Mr. Temporary Deputy Speaker, Sir, last but not least, I would like to say that we have a lot of hope in the Ministry. When you ask for more money---

With those few remarks, I beg to support.

**Dr. Kituyi:** Thank you, Mr. Temporary Deputy Speaker, Sir. While I was sitting there listening to Mr. Nyenze, I started conjuring up images of this Government's way of managing public affairs that it had a nuclear power development programme with a Presidential appointee like Mr. Mulu Mutisya being chairman, and it did the things it normally does as serious responsibilities.

**The Minister for Heritage and Sports** (Mr. Nyenze): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to say that Mr. Mulu Mutisya is the chairman of Nuclear Power Project? He should apologise for those remarks.

**Dr. Kituyi:** Mr. Temporary Deputy Speaker, Sir, I want to inform you that this Minister has gone to university and so he understands English.

I wish to speak about what my colleagues mentioned, that is on the matter of the Sudan. In his very early days as the new Minister for Energy, Mr. Raila was wrong in sending signals indicating that it would be cheaper for Kenya to import petroleum from Sudan. First of all, petroleum from COMESA countries would be cheaper than that from non-COMESA countries. Just because the Government does not tax it, it does not mean that, that petroleum is cheaper. If the Kenya Government wants it can make the importation of petroleum from Russia, Iraq or Iran cheaper by removing duty. The Government should be the last one to tell us that we should go for uncustomed products because it is the one which consumes that duty.

There is a moral cost to petroleum being imported from Sudan. This country has been an important beach front for international solidarity with the struggling persons of Southern Sudan. It is a prestigious position of eminence that has put us in good stead across the world and enhanced our position to negotiate for a peaceful solution to the problems of the Sudan through the Inter-Governmental Authority on Development (IGAD) initiative. We will sacrifice all that if short-term calculations can make us start dragging our feet about why it is wrong to import petroleum from Sudan.

Sometime ago I raised an issue on a light note with the Minister for Energy. As part of consumer information, the Government of Kenya did force petroleum companies to put up boards with the prices of the petroleum products. We knew the most expensive product would be at the top and the cheapest at the bottom, so that when you looked at the board you would see the highest price of premium petroleum, followed by the prices of regular, diesel and then kerosene. For purposes of confusing consumers, vendors have turned round to place the price of Regular petroleum at the top and that of premium next, purely for cheating people. Because people are used to seeing premium petrol price at the top, they end up thinking that it is cheaper at a particular petrol station. I think it would be only in the public interest that the Government forces these petroleum companies to go back to doing the rational thing; that is, reverting to the regular organisation of the display of prices, starting with that of premium petrol and ending with kerosene as a

way of stopping the confusion to consumers.

If we lived in a society where multinational companies involved in petroleum retailing services in this country were more responsive to social pressure and self-regulating, there would never have been the justification for the proliferation of the small suppliers that we have. This is partly because the small independent suppliers, who are not tied to multinationals, have been the principal culprits in adulteration of petroleum products, which are hurting our cars. I was happy when the hon. Minister mentioned here that the Government will undertake to close down stations which are notorious for adulteration of petroleum products. That is much better than what he was earlier quoted in the Press as saying: "We will publish the lists of those who are marketing adulterated petroleum products." He was not talking for a consumer lobby group, but for the Government. How can the Government publish lists of criminals instead of punishing them? I totally support the position that action must be seen to be taken to clear the name of small independent retailers who are not adulterating products, and are actually very helpful in reducing the extortionist tendencies of major companies.

Kenyan consumers have problems with the large companies. Whenever there is a slight increase in international prices of petroleum, it is instantly translated into higher prices at the pump. But when international prices decline, they pretend that they will wait until they have off-loaded the stock that was bought expensively before they reduce prices. Since 11th September, there has been a very steady decline in the producer price of petroleum. There has been no similar reflection in the reduction of the pump price in this country. We cannot treat liberalisation as a holy cow. Liberalisation is a method which we assume will improve efficiency and improve costs of services to people. If multinational petroleum companies want to act like **[Dr. Kituyi]** bulls in a china shop, it should be possible for this Government to consider the possibility of selectively re-imposing price control where there is no responsibility in the utilization of available liberalisation. There is no holy cow about liberalizing prices. Other countries liberalise if necessary and they put price controls. In France, they have permanently put price controls on farm inputs. Why should we pretend that it is a holy cow in Kenya when the mothers of capitalism do not treat it as such?

Turning to the matter of electricity, I have the privilege of coming from a division which has a population of more than a quarter million people and which has no single institution with an electric bulb, that is Tongaren Division in Bungoma District. We are part of Kenya and we also know the value of electricity. When I tell my constituents that Nairobi has been having problems because of power outage, they say: "Power what? What is the problem with that? We have it everyday when the sun goes down". We do not lack electricity because we are not a high potential area or that there is no capacity to turn around production. We have coffee factories which exclusively sell berries because we do not have electricity to process our coffee. We are part of a country where the rationale for allocation of resources for electrification is perverted. From the politically-driven wayside promises where a President can come to a place and say: "Mr. Minister, stand up. I order that rural electrification be provided here", without any assessment of the benefit that will accrue, the potential multiplier effect, or the size of the catchment population. Electrification is being provided in areas where we have new grant friends, like the French who have now come to Western Kenya and have selected markets. In Tongaren Division, they have selected markets which are on the tarmac roads between Webuye and Kitale because it was easy to see those markets on the boundary between Rift Valley and Western Province. That excludes the divisional headquarters, 33 secondary schools and four health centres because they are not accessible.

Similarly, the problems that have bedeviled rolling out of electricity in this country have to be dealt with. The Government should be honest and tell Kenyans why it is so expensive to spread out electricity. This is caused by incestuous in-house trading in Kenya Power and Lighting Company (KPLC). We find companies related to persons inside or formerly working with KPLC who are costing pylons for electricity at ten times more than the normal price. We cannot pretend away the fact that they seem to be importing timber from the moon. That cost is turned into the cost of rolling out electricity.

The reality is that the Government is milking the KPLC for political considerations and those costs are passed on to the consumer. We cannot forever pretend that we can turn things around in this country unless we deal with the core problems; abuse of office, incestuous relationship between those awarding contracts and those given inflated contracts, which are converted into electricity only available in trading centres, but which is out of reach of the poor residents of those centres.

Part of the reason why I like the proposal for the establishment of an independent agency is that we might start having a break from these overheads that come with the economy of a section that has penetrated the KPLC.

Mr. Temporary Deputy Speaker, Sir, I would like us to go even a step further and say that, there is no reason why we should not break the marketing monopoly of Kenya Power and Lighting Company. In some of those areas, if you are going to have independent agencies, the possibilities of micro hydro-electric power supply do not have to be fed into an expensive grid before they feed a local community. There is absolutely no rationale as to why independent generators and micro-generators like sugar factories must sell their power to Kenya Power and Lighting Company

before it is sold back to the local community. We are just subsidising an over-bloated bureaucracy and an ill-suited professional cartel that has no direct relevance to the immediate consumers, who might directly consume from these power suppliers. If they want, they can set up their meters, but why must they sell to an agency that is so expensive?

Mr. Temporary Deputy Speaker, Sir, finally, Kenya Power and Lighting Company is exercising strange discretion by the way it unilaterally blows up invoices to consumers who are helpless in a country without a lobby to support them.

With those few remarks, I beg to support.

**Dr. Anangwe:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to make my contribution, and let me say at the outset, that I support this Motion. The Ministry is requesting for funds and I think it deserves the money that it is requesting.

Mr. Temporary Deputy Speaker, Sir, having said this, may I emphasise that this is a very important Ministry with an important mandate, and its mandate is to develop energy forms, so that they are accessible to wananchi in this country. If it were to succeed in that particular mission, I am sure there would be a fundamental difference in the lives of Kenyans and the economic growth would be spurred. However, notwithstanding what it has earmarked for itself, this country faces a serious energy crisis and this particular problem arises largely because the bulk of the population, in fact, 91 per cent, does not have access to electricity. Only 9 per cent of the population has access to electricity. That means the bulk of the country and the majority of our people do not benefit from this particular energy form. That is a crisis by itself, whereas in other parts of the country, world or continent, the world is under the glitter of electricity. Kenya, like many parts of Africa, is like it is living in dark ages. When the sun sets, it is really dark in many places and that in itself, is a disincentive for many economic activities.

Mr. Temporary Deputy Speaker, Sir, given that 91 per cent of our people do not have access to electricity, they have to resort to wood fuel and that in itself is also a problem because of deforestation and the spread of cash crops, whether it is coffee or sugar-cane. Our rural people do not have enough wood fuel. Indeed, if you go to market places, there is commercialisation of wood fuel, a thing that never used to occur; a feature that was not there before. Wood fuel was taken for granted but now it has to be bought for women to go and cook food. For some of us in some parts of this country, you can no longer fence your farm with wood poles because a week or a month later, you will find someone has uprooted them to go and split them in order to convert them into wood fuel. It is a serious matter. In my own constituency, I have had the opportunity to sit with women groups. It is an issue!

Recently, when there was a consultative process about the Poverty Reduction Strategy Paper (PRSP), the wananchi in most parts of this country were saying in respect of energy, there is wood fuel crisis; there is lack of electricity. These are the issues that I would expect, when the Minister is making his presentation, at least, the thrust of his speech must address these particular issues. I listened to him very carefully and I have had the opportunity to look at some of the Government documents. It does seem that in terms of our prioritisation on energy matters, we seem to have missed the target.

Mr. Temporary Deputy Speaker, Sir, I agree that we all need the various energy forms and sources. I agree that more people must have access to electricity. If for now and many years that we have spent investing in electricity, only 9 per cent of our people have access to electricity, how long is it going to take to cover the 91 per cent? It may take 1000 years, and that means in the short-term and in the medium-term, the Ministry of Energy should come up with ways and means of ensuring that access to wood fuel in this country is, of course, boosted. That is what most Kenyans will depend on most of the time. I know in some of the documents it has said that in the next 20 years, it hopes to increase access from the current size of 9 per cent to about 15 per cent in 20 years. But what is going to happen in-between? I am requesting this particular Ministry to give enough emphasis on the development of wood fuel. It must develop a wood fuel master plan so that the rural people can have access to wood fuel. We are not saying that the Government should supply. We want ideas, concrete priorities, mechanisms, institutions and incentives in terms of credit, so that rural women could be able to access funds and opportunities to develop wood fuel in their localities.

Mr. Temporary Deputy Speaker, Sir, the other reason why I am saying that, at least, there is no due emphasis in the right direction in respect of energy, the resources required to boost the development of energy in this country are colossal and yet, the ones that are provided for are really not enough. This particular Ministry has promised in its documents that it would be investing about US\$13.3 million per year in rural electrification but when you look at these documents, at least, for last year and this year, there is no indication that there is a provision amounting to this amount of money. Even where it has succeeded in extending electricity, some of the transformers are lying in market places without connections because the market and rural people cannot afford these connections. Electricity is a very expensive commodity. When you apply to go and get a transformer in your locality, you will really have to pay heavily in order to have such access.

Mr. Temporary Deputy Speaker, Sir, let me now address specific issues in relation to my constituency and district. Last year, the Ministry earmarked Ksh10 million for rural electrification. I do not know where it ever used that

money because I have checked with my counterparts in Matungu, Mumias, Khwisero and my constituency, Butere, and no single project was ever implemented. So, my question is: Where did the Kshs10 million go? At the same time, they have also earmarked Kshs10 million for this financial year. I can bet nothing will happen on the ground. Therefore, it is very imperative that we emphasise to this Ministry that when it promises our people that it is going to implement certain projects, the projects must be seen to be implemented. In my own constituency, the demand for rural electrification amounts to Kshs75 million, on which the Kenya Power and Lighting Company has already done a survey and has given us that particular feedback. I know we have been on talking terms with the Ministry of Energy, but we have waited for three years for concrete action. So, in his reply, the Minister should address this particular issue so that we can explain it to our people comfortably. This is going to be a major electoral issue in the Year 2002. We need a reply, particularly given the fact that we have spent a lot of energy supporting our Government.

Mr. Temporary Deputy Speaker, Sir, if you look at this Ministry's Development Estimates, you will see just a blanket allocation of either Kshs10 million or Kshs11 million to several districts. This gives the impression that these allocations were not based on a serious analysis of the various needs of each district. These are mere mathematical figures arrived at by officers who sat in an office and decided: "Since we have a small cake, let us appease Members of Parliament by allocating each district these amounts." This is a false promise you would never anticipate that it will come true.

If resources are not adequate, I would rather the Ministry allocates money to selected districts in one year so that they can complete their projects. Other districts should be allocated resources in the subsequent year instead of strumming around funds that are not adequate and then nothing really takes place. I really wish to emphasise that rural electrification is a very sensitive matter. People have expectations of what ought to be happening. Therefore, I call upon the Minister to look into it.

Mr. Temporary Deputy Speaker, Sir, I support the Motion.

**Mrs. Mugo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to the Vote of this very important Ministry. Definitely, the Ministry of Energy constitutes one of the backbone sectors for development. We cannot realise any meaningful development without the issue of energy being addressed very seriously.

Mr. Temporary Deputy Speaker, Sir, this year's estimate of Kshs8.5 billion for this Ministry is very inadequate. Considering the percentage covering of the rural electrification programme that has been realised, much more resources are required in order to serve the people. Rural electrification does not cover only the rural areas. Even Nairobi has many areas which do not have electricity. The Ministry's budget this year is 40 per cent less than that of last year. This is a very worrying state of affairs. In fact, not the entire budget will be realised. Out of last year's budget for the Ministry, only about Kshs3 billion was realised.

I would like to impress upon the Minister that we should have better planning in that Ministry. We feel that there is a lot of wastefulness in the Ministry. The same thing applies to all other related public sectors. We know that a lot of our energy is generated from water, yet there is indiscriminate cutting down of forests. Ironically, as we cry about the wasting and destruction of our environment, the Government does not seem to take notice of our cries. We talk of industrialisation of this nation as a way of alleviating poverty. I do not see how we are going to realise this objective unless we address the question of generation of energy.

The energy that is available is very expensive and makes production very expensive. Consequently, manufacturers have had to lay off some of their workers to cut down on production costs. The level of poverty in the country has increased because electricity, which is a key factor in production, has become very expensive. Even products that are produced locally have become very expensive. Thus our markets have ended up being flooded with cheaper commodities from elsewhere, which increases the poverty level for Kenyans and leads to zero economic growth.

Mr. Temporary Deputy Speaker, Sir, it is incumbent upon us to prioritise our sectors. Energy is one of the sectors that should be given priority in terms of development. We must address the issue of availability and affordability of energy. At the domestic level, we must find alternative ways of producing energy because, today, most people cannot afford the energy that is available. A lot of planning remains in Government books; the citizens do not enjoy the product of that planning.

About Kshs3.4 billion of the Ministry's budget is supposed to come from donor aid. As we are all aware, this aid will not be forthcoming unless a miracle happens. I wonder why the Ministry keeps on including funds whose availability is not guaranteed in its budget year in, year out. I would like the Minister to confirm whether he has any confirmation that these funds will be forthcoming. Really, there is no need of including such funds in our budgets when we know that they are not forthcoming. We should face the reality. The Government should own up and tell the people that it cannot deliver in certain areas rather than include in the Budget figures of donor aid money which is always not forthcoming.

Mr. Temporary Deputy Speaker, Sir, in the run-up to the last general election, the people of Dagoretti were promised electricity. They contributed a lot of money towards the rural electrification programme. However, up to now, nothing has happened. They have always been told there is no money. At that time, they were asked to contribute the money because the general elections were just around the corner. Where did the Government plan to raise the money it promised those people from? This Government must be trustworthy so that the people can take its word seriously.

The people of Dagoretti are wondering what has happened to their money. Of course, they are not demanding a refund of that money unless it is refunded with a lot of interest since it has been lying idle for a very long time, and unless it was taken to some Harambee. In Dagoretti, we have not had any electricity development, at least since the time I was elected to this House. I guess Kshs11 million has been allocated to Nairobi. However, there are no details showing how and where that money will be spent. Could we have details on how this money is going to be spent? Let us know how much money is going to be spent in which constituency and how, so that we can at least inform our people which projects will be implemented and which ones will not. That way, we can ask where money meant for certain projects went to in case those projects are not implemented.

The Kshs11 million that has been allocated to Nairobi is very little. What can that amount do considering the population of Nairobi? Our people deserve better if we have to develop. Kenyans pay taxes. They keep asking where the tax money goes because they do not receive adequate services in terms of energy, education, health and other services. I request the Minister to tell the House how much money he has allocated for Dagoretti when he replies to this debate.

The people of Dagoretti pay a lot of money to the Government in form of tax for non-existent services. They have, in fact, gone to court over the issue. They say that they are not going to pay any more tax to the Government. There is absolutely no electricity, water or any other service. My colleague also represents a constituency in the City. Now that Nairobi residents have a Minister for Energy, we will probably see some difference in the City in terms of electricity supply, particularly in Dagoretti.

Mr. Temporary Deputy Speaker, also, the slaughterhouse in Dagoretti, which is the source of most of the meat that is consumed in this City and other places, could not do without proper lighting. It is not only the markets, but many areas require street lighting. With the insecurity in the City, it is only right that streets are well lit in the night. This Government must be seen also to serve its citizens in lower income level. The Government concentrates too much on serving the affluent society of this country. It is time for us to reverse our priorities and know that the Government is put there by that grassroot citizen and serve that citizen.

There are other forms of energy which I believe would be much cheaper to produce. We should plan in this sector to see how we can augment electricity supply so that we do not always depend on water or weather conditions to have electricity. This has made electricity prices to shoot very high that nobody can afford it. I would propose that the Ministry should look into other areas of producing energy which do not depend on water or weather conditions.

We have many people who have been laid off from work. I would like to request the Minister to find ways, not just in the City of Nairobi, but even in other urban areas, of making electricity cheaper for manufacturers and industrialists, so that more people can be employed in the industrial sector. If we continue with the present trend, we shall have all the industries and manufacturing firms closed.

With those few remarks, I beg to support.

**The Assistant Minister for Transport and Communications** (Mr. Keah): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to also contribute to this very important Motion.

I want to make my remarks by supporting the Minister in the manner he has presented his budget and requested for funding for this Ministry. I would like the Minister, when we go to the Committee Stage, to be armed with quite a number of answers particularly on the figure work. For example, we will want to compare this year's budget with last year's. We would like to know how the budget for the year 2000/2001 was made up of Kshs3.7 billion while this year's Development Expenditure is only Kshs656 million. We want to know whether, in fact, there is more Appropriations-in-Aid this year, and whether the gross Development Expenditure this year is more than that of the previous year, which we do not have in the Printed Estimates. But having said that, there will be other line items which we will ask him to elaborate on. So, this is an early notice that when we come to the Committee stage, he should be armed with answers. But since he has some officers from the Ministry, I am assure there will be no problem on that score.

Touching on the issue of officers, we find that in the districts, we do not have officers representing the Ministry of Energy. This creates a problem obviously because we cannot articulate our electricity issues to the Ministry until we come to the headquarters. Therefore, when we discuss about electrification in the District Development Committees (DDCs), we may only have a representative from the Kenya Power and Lighting Company (KPLC). To me, this is not adequate and something should be done about it. Even if the Ministry cannot afford to have officers in



every district, it should, at least, appoint or nominate somebody who will have the responsibility to address the issues that we have in the districts. As for the rural electrification, I would like to put emphasis on its supply, particularly to secondary schools and market centres.

In this regard, some two years ago, the Ministry of Energy sent to Kilifi District a list of centres that were going to be electrified under the rural electrification scheme, but to date, particularly in my Kaloleni Constituency, schools such as Komeni Girls Secondary School, Chanagade Secondary School, Maadani Secondary School, Moi Kagongo Girls Secondary School and all the chief centres, which were supposed to be electrified and there was a budget to this effect, nothing has happened. At the moment, I would want to urge the Ministry to extend rural electrification supply to particularly secondary schools and Kibana Health Centre. We have a problem of performance in the national examinations. One of the contributing factors to the very dismal performance is lack of electricity. I would like this to be taken very seriously.

Mr. Temporary Deputy Speaker, Sir, my concern is also on the fact that 4 to 5 per cent of the electricity supplied in this country is supplied through the national grid. This means that a vast area of our Republic does not have electricity from the national grid. This, therefore, means that we have to develop other sources that can supply the majority of Kenyans with electricity.

I am glad the Ministry has touched on renewable energy and power development, but we would like to see targets set and achieved. We would like to see, for example, at the end of the year, a report from the Ministry telling us what exactly has been achieved in so far as the development of renewable energy is concerned. I want to see, particularly, the development of solar energy, which to me is the answer to rural electrification in this country. Solar energy is relatively cheap and I would like to see development in that area financed much more than, perhaps, has been provided for in this budget. I am a member of the Council of Global Environment Facility based in Washington, and we have given adequate money for the development of solar energy. I would want to urge the Ministry to look into ways and come up with programmes for funding by the Global Environment Facility as well as other friendly countries.

Looking at the Development Estimates further, I want to agree with my sister, Mrs. Mugo, that a large component of the funds matched to the Appropriations-in-Aid will come from the World Bank or the International Development Agency (IDA). Availability of these funds is doubtful if you take into account the present embargo on release of funds to us by the World Bank, the International Monetary Fund (IMF) and other related organisations. Does it mean, therefore, that what has been targeted in this Budget will be achieved? In fact, it will not be achieved! This is really the major question. Whereas I do not have a crystal clear answer to this question, I am sure the Minister will tell us whether this Budget is realistic in terms of achieving what he has targeted to achieve, in view of the fact that large sums of money come in a way of Appropriations-in-Aid from the World Bank, IMF, IDA credit, *et cetera*.

Mr. Temporary Deputy Speaker, Sir, I want to commend the Minister because he has covered the areas of development that we want to see developed. I have noticed that he has also covered aspects of petroleum exploration. Like any other Kenyan, I am also asking where petroleum is in Kenya. Let the Minister tell us whether we have oil in Kenya or not. We have been doing oil exploration in Kenya for the last 50 years and we have not had an answer, yet our neighbours have come up with answers! Are we so incapable of coming out with answers? Do we not have scientists of our own? With all the monies that are pumped into oil exploration and the licences that have been given out, do we have oil? If we do have oil, then we should move on and explore it? This is because when the Minister was moving the Vote, he started by saying that his Ministry is charged with the responsibility of exploring and exploiting all sources of energy. In my view, this is an area which has not been efficiently or effectively explored, or exploited. So, the Minister has a burden on his shoulders, and we are praying that he comes up with an answer so that in the far future, we can have oil in Kenya.

Mr. Temporary Deputy Speaker, Sir, there are funds here which have been provided for connecting our national grid to Arusha, so that we can tap electricity from beyond our borders. To me, this is commendable. We want to avoid the situation where we had a shortage of electricity like last year.

With those remarks, I beg to support.

**Mr. P.K. Mwangi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this important Motion on the Vote of the Ministry of Energy.

First of all, I would like to comment on how the Ministry of Energy behaves. If there is any Ministry which does not have any representation in the local areas, it is the Ministry of Energy. This is the reason why, even when we have budgetary allocations, they are only dreams in the real sense. In our estimates during the last financial year, just like Mrs. Mugo was commenting, it was indicated that each and every district had an allocation of Kshs11 million. When we inquired, we were just told that these are just estimates! Why do you plan to do something when you do not have funds to use? The reason why we have had sparse sources of energy in this country is because of poor planning and mismanagement. People who are weak cannot walk because this Ministry means glucose to them! But the Ministry

of Energy is not making them move anywhere.

**The Assistant Minister for Finance and Planning** (Mr. Lomada): On a point of order, Mr. Temporary Deputy Speaker, Sir. Did I really hear the hon. Member say that this Ministry needs "crooks" for it to run? Is it possible for any Ministry to have "crooks" and continue running? Would I be in order to ask the hon. Member to tell this House what he means by "crooks"?

**Mr. P.K. Mwangi:** Mr. Temporary Deputy Speaker, Sir, it is good for this Assistant Minister to listen and understand the English language well. I have said "glucose" and not "crooks"! Let him go back to his seat!

Mr. Temporary Deputy Speaker, Sir, what I would like to see this Ministry doing is to source funds for constructing power generating plants. If we want to be industrialised and if it is not just another dream that we are having, we must explore each and every source of energy. We are just going ahead with what was done by colonialists! We have not been able to make our own ideas materialize because of believing that the white man was very wise. That way, we cannot invent something else. We are just comfortable with Kindaruma and we cannot invent anything else! We have to ask for permission from the white men! Why should we go to the white men always when we have our own brains? We should think further and explore on any other source of power.

Mr. Temporary Deputy Speaker, Sir, I do regret when I recall what happened in this country last year. So many young people went without food just because of power rationing. That was a lesson to this Ministry. This Ministry should wake up and start walking! Officers of this Ministry should not only stay in their offices. I would also urge this Ministry that, now that the Government is not able to create job opportunities, the only alternative left is to quickly supply power to our *Jua Kali* sheds. If we cannot be able to utilize human energy, then what are we talking about? Let us make sure that the human energy that we have is affordable. If you go to Gikomba and look at the way the young people are working at the *Jua Kali* sheds, you will see the need of supplying them with easily affordable power. If this is done, they can do a wonderful job.

Mr. Temporary Deputy Speaker, Sir, each and everyone of us should conduct Harambee, maybe, to be able to supply power to our schools and hospitals. But when you look at those estimates of the Ministry of Energy, you realise that they are very high. I would like to urge that, if it is possible, every time a school applies for power supply, it should be charged affordable rates so that each and every child can get access to lighting.

Within the next five years, we shall have two generations, one generation which understands the computer, and the other one which does not understand what a computer is. When those who come from the rural areas go to a bank and find a computer, they think that it is another television set because they do not know how a computer looks like. Schools should be supplied with power so that all children can access facilities like computers. We should not discriminate against our young people! Let them understand what computers are. We should not have one school offering computer lessons while other schools do not offer computer courses. If we still think that these students are equal, we should give them a chance to be equal because we are in the same country.

Mr. Temporary Deputy Speaker, Sir, there is one thing that I would like this Ministry to understand. If we are to continue having hydro-power sources, we should protect our forests. There should be a clear policy on that. It loses meaning when we say that we are going ahead with hydro-power and at the same time we are cutting down our forests. Since that has happened, I would like to urge this Ministry to give initiative to our people. Let a farmer be paid some money for every tree he plants so that we can increase our forests. Since we cannot cry over spilt milk, let us try to do something else. We should encourage our people to plant many trees in order to avoid siltation. It is a pity that Masinga Dam, which was just constructed the other day, has silted and yet it was meant to last for 50 years. The whole dam has silted and yet 50 years are not over since the dam was built. How much money will we pay for the desilting of this dam? The only way we can prevent this from happening is to encourage our people to plant many trees to curb soil erosion.

Mr. Temporary Deputy Speaker, Sir, before I conclude, there is something I want to speak about. I would like to inform this House that Kenyans are paying dearly on environment due to adulteration of oil. Do we not have any policy in this country to control the mushrooming of petrol stations? They adulterate oil in day light and yet we have officers. What are they doing? What are they waiting for? This is something which is known; we are seeing it. Nobody can say that he does not know that because each one of us knows the colour of super petrol. Why do we have a petrol station which sells super petrol and diesel, but it cannot afford to sell regular petrol? Even a grandmother from Makuyu can understand that. You cannot afford to own a petrol station which only sells super petrol and diesel but you cannot afford to sell regular petrol unless there is something wrong. I would like to urge the Ministry of Energy to look for ways and means of testing this oil. This is because even if we support indigenous people to come up, they should not use the other way to confuse Kenyans. They should not make quick money. Let them make good money which is blessed by God.

The other issue I would like to raise here is that no house can be constructed under a power line. This has happened. I would like to inform this House that permanent houses are being constructed under a power line. What

will happen if one of these electric poles drops? We will have another disaster in this country. I would like to urge---

**The Minister for Energy** (Mr. Raila): Mr. Temporary Deputy Speaker, Sir, I will be most grateful to the hon. Member if he can substantiate or provide that information about a house that has been constructed under a power line.

**Mr. P.K. Mwangi:** Thank you, Mr. Temporary Deputy Speaker, Sir. Mr. Minister, if you drive all the way to Saba Saba, on your left hand side, you will see a permanent house that has been constructed under a power line.

**Hon. Members:** They are several!

**Mr. P.K. Mwangi:** Mr. Temporary Deputy Speaker, Sir, there are several houses that have been constructed under a power line. Even at Kibera, the Minister can see that people live under power lines. We would like to see these houses which have been constructed under a power line demolished.

Thank you, Mr. Temporary Deputy Speaker, Sir.

**Mr. Kajwang:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity. First, I would like to say that I come from a district called "Suba". This is the only district in this country without electric power. I would like to inform this House that there is no single metre of electric wire in that district. Recently, I was being asked what I can boast of achieving when I go to campaign again. I said that I will say that I have achieved nothing because, for the five years I have been in this House, I have been making noise about electric power, and it has never been supplied to this district. I have now realised that I will tell them that I have at least made loud noise in this House about our district not having electricity. Imagine of a district without electricity and yet it has a district hospital. Could the Chair imagine of a district hospital without electric power? That is shocking. We have some generators which, of course, like all generators, can break down when a patient is being operated on or when a child is being born. Look at the situation in which we find ourselves; we are actually a "dark" district. So, we are still in the dark ages, while others have been enjoying this facility for many years. When I hear some of my friends saying that some of their schools and markets do not have electricity, I would like to inform them that the district headquarters of Suba does not have electricity. That is how bad it is.

Mr. Temporary Deputy Speaker, Sir, we have an international research station called "ICIPE" which deals with insect physiology, and they have done a lot for this country in finding ways of controlling insects by biological means. I would like to inform this House that they have been doing that using generators. The cost of running those generators is 70 per cent of the budget of the research institution. So, how does a research institution which is supposed to deal with the physiology of insects spend 70 per cent of its budget, which is about US\$106,000, to run a generator, when that money should go to research? The donors have said that they will not donate money for us to run a generator, but they would like to donate money to us to carry out research. So, these donors have threatened to pull out from Mbita Point, the headquarters of ICIPE so that it concentrates at Duduville, here in Nairobi. That will be injurious because the insects are mostly found in rural areas and not in Nairobi. So, that is the problem we have.

Generally, if you look at the lake region, you will find that the only place that can boast of electricity is Kisumu Town. Of course, this town must have it because it was the first headquarters of the railway line. But other than Kisumu Town, go around the lake and you will find that there is no port with electricity. This is the case and yet, we are a fishing community and we are supposed to preserve our fish so that it can reach the international market when it is safe for eating. So, look at the kind of loss which our fishermen incur because we cannot preserve our fish at the landing point. This is because there is no electricity around the lake. Sometimes you ask whether this is deliberate. Why is it that for 37 years of Independence, electricity has not been extended from Kisumu to Kendu Bay; from Kendu Bay to Homa Bay, and from Homa Bay to Mbita in Subaland? Why is it that electricity has not been extended to Usenge Bay and so on? This is because those are the beaches which produce fish. So, I would like to urge the Minister, because he happens to have been born in the lake region, to take this matter seriously because we also want to survive in this competitive world. We can only survive with fish, our natural resource which we have. So, unless electricity is supplied to these areas so that we can mount cold storage facilities at the beaches, we cannot survive.

The Government even borrowed some money from the World Bank 15 years ago to build a cold storage ice-making plant in Mbita, but it has been a white elephant project for all those years. Finally, a certain Minister made sure that this year it was completed. But it cannot function because if you run it on a generator, the cost of making that ice and preserving fish would not be viable. If you preserve fish at that cost, you cannot sell it in the international market. It will be too expensive. So, we need electricity for that white elephant project which has now turned into something viable, so that the cost of preserving fish can make meaning to a businessman. I am talking passionately because it is important we develop certain infrastructure in certain places so that the people there can also grow together with others.

Of course, we know the policy of developing energy in this country. We have thought that electricity can only come from Tana River. I do not know who taught the planners that kind of physics; that it is only Tana River which can produce electricity in this country. So for the last 30 years, we have been concentrating on one river. In fact, there are seven dams on that river. That region is not quite endowed with a lot of rainfall and so when it goes down, the

country goes to darkness. There are bigger rivers, or even small ones but with a constant volume of water going into Lake Victoria that we can make use of. Unfortunately, nobody bothers about these rivers because they happen to be in certain parts of the country which are supposed to be forgotten by the planners of this country. We are not going to live in one country where some people are forgotten and you want us to continue living like that. So, when you hear me---

**Mr. Gatabaki:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I hate to interfere with this brilliant exposition by my friend, but I also hate to remind him that His Excellency the President has appointed an able Minister for Energy. They are in the same party and they can sit down together and get energy in Suba.

**Mr. Kajwang:** Thank you very much. I think it was unnecessary. When you hear me sometimes talking of majimbo, I do so because centralisation of power and distribution of resources can be very injurious to certain parts of this country, especially if the politics of those areas do not favour the politics of the ruling party. One of these days, when we do our review to the Constitution, I will insist that we go regional and that we have certain structures which will make us develop what we need for our areas. I will straightaway recommend that when there is a government in Nyanza, we will do something about electricity, fishing, cotton and livestock, so that our region can also benefit from the economies of the world. Otherwise we are forgotten.

When you see us getting agitated and upset--- It does not matter that the Minister for Energy comes from Nyanza. He might find that he has no resources to allocate to Nyanza and there is very little he can do about it. I am talking about the policy of these planners and the people who manage the energy sector. They should know that we are not blind to the fact that the planning of energy in this country has been lopsided and inequitable. It is dangerous for the development of this country. If the developed world is now saying that poverty in the Third World is a social crisis which is likely to be a political one, underdevelopment in some parts of this country is equally going to be dangerous for this country. Some of these people will feel desperate like the people of Suba are feeling. If you become desperate and you have nothing to lose, you become reckless and dangerous. You can become a terrorist, and we do not want terrorism in this country.

With those few remarks, I beg to support.

**Mr. Mboko:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this Vote of the Ministry of Energy. From the outset, I support the Motion with very good reasons. Having a new Minister from an Opposition party within the Government, we believe our fears are going to be fully addressed. Previously, we had been talking about KANU not performing. Now that Mr. Raila is at the helm and being a party leader, we believe that he will demonstrate his capacity by implementing the policies he had in mind.

Mr. Temporary Deputy Speaker, Sir, it is most unfortunate that most areas which need power have not been supplied with it for reasons known by the planners of this country. These planners have ignored Ukambani region where most of the power passes through. Electricity from Kindaruma, Masinga and Kamburu to Nairobi passes through Ukambani. Also, the same applies to electricity from Nairobi to Mombasa. There are very few markets with power on the Nairobi-Mombasa Highway. Unfortunately, five to six markets which do not have power on that highway fall under my constituency. They are the only ones. It is surprising that the Kenya Government spent over Kshs10 million to extend a line from Makindu to a public station in a place called Mbuinzau. It left the entire population between Makindu and the station without power. In-between, there are three markets which have the potential to raise enough revenue to support that expenditure which was initially incurred by the KPLC through the Government. We have seen this happen in many other areas where a politically-connected individual gets power in his residence at a cost of over Kshs20 million. In between, the families who live between the source and the other end are forgotten. If the KPLC is serious in this business, because this is business, it should realise that you cannot invest where there are no returns. We need to change this policy, to make sure that power supply is proportionally distributed to areas where it can generate revenue in terms of sales.

We have three other important markets on the highway called Machinery, Kinyambu and Thange which are sandwiched between Kibwezi and Kamburu. They have no power. Kamburu and Kibwezi have power but those three markets in-between have no power. There are places where we need this power continuously to pump our water, but we have to use diesel engines. We do not know whom to talk to. In our DDC, we have prioritised power supply, but it appears that unless you talk to the KPLC properly, power will never be supplied to your area. If you ask me what I mean, I will tell you but since you have not asked me, I will not do so.

Mr. Temporary Deputy Speaker, Sir, the KPLC has become one of the biggest destroyers of our forests. They cut down trees to get poles for power lines. Why do they not think of another source of poles like cement? Cement poles will make our environment clean and our forests will remain intact. Cement poles are long lasting. We will not destroy our forests, if we use cement poles.

Mr. Temporary Deputy Speaker, Sir, we have problems with the multinational oil companies because they have formed a cartel to strangle Kenyans. They even frustrate individuals who own petrol stations. They accuse these individual companies of selling adulterated fuel. The multinational oil companies are not competitive at all. They just

want to make money from this country. Hon. Kituyi once said in this House that when oil prices in the world market go down, the multinational oil companies in this country pretend not to know. But when prices are adjusted upwards, they adjust oil pump prices accordingly. I would urge the Minister for Energy to make sure that these multinational companies operate in conformity with international standards. Otherwise, price control measures should be instituted. This House has the power to do so.

Mr. Temporary Deputy Speaker, Sir, these multinational companies are importers, distributors and retailers at the same time. For example, Total Oil Company does not give agents an opportunity to run their stations. They have put up their own stations that are managed by their own employees from their head office. We will not accept this. The Government must not allow these companies to be importers, distributors and retailers. This is bad business. They make sure that persons running their stations do not make their ends meet. They give their stations very minimal profit margins. We know their profit margin after they pay taxes to Government is high. It is a pity that this Ministry does not direct the multinational companies on how to operate. We need to operate in a level playing ground.

Kerosene is mostly used in the rural areas. However, its price is very prohibitive. We know that most Kenyans cannot afford it. As a result, our children cannot learn properly because most rural schools which do not have electricity rely on paraffin. Something must be done by this Ministry to make sure that paraffin is affordable.

Mr. Temporary Deputy Speaker, Sir, our electric power is very expensive. For example, we sell one unit at US12 cents, while in Uganda it is about US6 cents. In Egypt it costs US2.7 cents per unit. Therefore, our local manufacturers cannot be as competitive as their counterparts in other nations. It makes our production very costly. A company like Bamburi Cement Company pays over Kshs110 million per month as electricity bill. When they wanted to generate their own power, they were told by KPLC to generate power first, put it in the national grid, and then the KPLC would sell it back to them. They found that they could not make any business. This company uses power to produce.

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

**The Assistant Minister for Foreign Affairs and International Co-operation** (Mr. Affey): Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me this opportunity to support this very important Motion.

The Ministry of Energy is very important. As we all know, energy is the foundation of development in this country. That is why I strongly support this Motion. If we can allocate more finances to this Ministry, I think it would do this country a great favour.

Mr. Temporary Deputy Speaker, Sir, there are many sources of power. I have in mind one important aspect which has not been developed over the last few years, and it is so crucial that it can enhance our economic development. The solar power supply is very important. We have Tana River in North Eastern Province. We cannot generate hydro-power anywhere else apart from Tana River. As you know, hydro-power is generated very far away from Garissa District. Solar power is in abundance and it requires very little financial input to generate. The output is high and the input is low. I know the Minister for Energy as an action-oriented person. If he can utilise the abundant supply of solar power in North Eastern Province, then we can supply power to boarding schools and hospitals. If we can tap solar energy, I think we can improve the economic viability of that province.

Mr. Temporary Deputy Speaker, Sir, hon. Members have spoken a lot about oil exploration in this country. I tend to agree with those hon. Members who said that we have sufficient oil supplies in this country. If at all we can find time and patience to explore this very vital energy source, we can enhance our economic activities in this country. For example, Sudan, Somalia and, in fact, the entire Middle East have the same climatic conditions as North Eastern Province. Those countries have found time to explore their resources. That is why we in North Eastern Province are now looking forward very much to the constitutional reforms. This is because we know that centralisation of executive power in Nairobi has not given other regions of the country a chance to explore their own potential. An exploration was done a while ago and its findings were classified. To date, the Government has not made public the results of oil explorations in this country. The result has been an upsurge of very strange diseases, especially in Wajir District and part of Garissa District. If the Minister can find time, I will ask him to accompany us to certain parts of North Eastern Province where we think that dangerous toxic wastes might have been dumped.

Mr. Temporary Deputy Speaker, Sir, as a result of the *El Nino* rains I have very sufficient evidence which makes us believe that there is some waste which has been dumped in the area, either knowingly or unknowingly. If the Minister can probably find time, we could visit the site that American companies have used as an exploration centre. I think, as a result, there are many risks facing this country. Already the level of cancer in that region is higher than before. People and animals are dying because of strange diseases. We believe there is some waste which has been dumped in the area. If the Minister could find time to visit the area or send some of his officers, he would be able to establish what happened. We have been really anxious to tap this vital element of energy, but in the process, we are having problems following that exploration.

Mr. Temporary Deputy Speaker, Sir, we know that the Rural Electrification Programme has been very useful.

We are not complaining about the manner in which the programme was managed, but all constituencies in this country should have an equal share. I represent Wajir South Constituency. There is Habaswein town which is the sub-district headquarters with a sub-district hospital, a secondary school, several primary schools and which is the link for Garissa and Mandera districts. It is the main centre of activity. In case there is an accident, people are rushed to the Habaswein Health Centre. We have written letters to the Office of the President and copied them to the Ministry of Energy, inquiring when they will consider Habaswein Sub-district as a priority area for the vital Rural Electrification Programme.

Mr. Temporary Deputy Speaker, Sir, we are currently confronted with a serious problem of environmental degradation in North Eastern Province, especially in the refugee camps, caused by the harvesting of firewood for the refugees. We have got over 180,000 refugees currently based in Dadaab. The fuel supply for domestic use comes from the surrounding areas. For the last ten years, these people have continued to burn trees in the name of supplying fuel to the refugees. I would like to appeal to the Minister to do something in conjunction with the Office of the President and the Ministry of Home Affairs, Heritage and Sports, to see if another source of energy as an alternative can be found for the refugees. At this rate, since North Eastern is a dry area, we will have a complete desert if the refugees continue to stay there and use firewood as a source of fuel.

With those few remarks, I support this Motion and congratulate the Minister and the Ministry officials.

**Mr. Kibicho:** Mr. Temporary Deputy Speaker, Sir, the Ministry of Energy is a very important Ministry in the economic development of this country. But listening to the speech by the Minister, one is left worried. This is a Ministry which does not have policies on bringing down the cost of energy. Energy cost in this country is very high. I do not want to repeat what other hon. Members have said, but it has been said in this House before that the cost of electricity in this country is very high.

Mr. Temporary Deputy Speaker, Sir, one hon. Member mentioned a certain organization called Global Environmental Facility. When the Minister for Energy will be replying, we will be interested to know how much money has been sought by this Government from that organization.

Mr. Temporary Deputy Speaker, Sir, it is very humiliating and embarrassing when you discuss with some foreigners and they advise us to go through our Government to source for money so that a certain project can be implemented. For example, in Kirinyaga, we have a micro hydro-electric project which is the very early stage. We commissioned a consultant from New Zealand who prepared a report and in the report, we were told that we could get 70 kilowatts of electricity from a certain river in our area. They also indicated that they would use their Government to source that money. This is very bad. If that facility is fully utilised, because some of the rivers in the highlands run through very steep gradients with falls, they are capable of creating micro hydro-electric projects. If that is done, cheap power would be available to our local people. I have that complete report which I will give to the Minister. What is annoying is that this Government does not seem to have woken up to the avenues available where we can benefit. It is equally very embarrassing when one attends an international conference and one is informed that we can be able to harness enough wind power from Ngong Hills to light the whole of Nairobi. When the Minister replies, we would like to know whether this is true or not.

Mr. Temporary Deputy Speaker, Sir, we have also been told that some sources of energy have not been utilised by this Government because of interests which are conflicting with national interests. The multinationals do not like the sources of cheap energy so that they can continue exploiting our people. For how long is this Government going to bend to pressure, to the extent that this country continues being under-developed? I share the same sentiments with other hon. Members, that we cannot explore for oil for more than 50 years without getting oil, unless the explorers want the licences in order to block its exploitation, so that oil cannot be got in this country so that it does not threaten their sources elsewhere. If that is the reason, why can this Government not source for oil explorers from other countries which have no interests in this country and sign up contracts with them, so that they can give us results which we can rely on? Companies from Canada, Britain and France are suspect. It is high time we even sourced them from Russia or any other country which has no oil interests in this country.

Mr. Temporary Deputy Speaker, Sir, when we look at the policies which have been put in place for rural electrification, they are not very fair to Kenyans. A project is only implemented because of political pressure. Time has come when this Ministry should allocate resources and implement projects purely on merit, and on the potential that project has for economic development. For a long time, hon. Members in this House have complained of individuals being served at the expense of the public. Is it not time that this Ministry came up with policy guidelines so that we know that when an individual applies for rural electrification, he or she can only get it if they fulfil certain conditions. They should detail to us their priority areas.

Mr. Temporary Deputy Speaker, Sir, if you looked at the budgetary allocation on rural electrification, Central Province has been completely eliminated. This is simply because it is not in the KANU Government. We are also taxpayers. If you look at the rural economy, you will find that in the Mt. Kenya region, about 70 per cent of the rural

GPA comes from that area. It is only fair that the allocation of resources must also match with where those resources are obtained nationally.

The other area which the Minister must also take care of is this: If a power line is going through a marketplace, particularly those lines which have been constructed through STABEX funds, power should be stepped down, so that it does not benefit only the factories. There are some areas where funds have been sourced; STABEX funds have been sourced for electrification of factories. These factories may be about four kilometres from where the power is being sought, and it could be passing through a market. According to what we have been told, such power lines are only being stepped down for a surrounding area of 750 metres. It is very unfair if such power can go through a marketplace where there are shops, hospitals and schools, and the residents live in darkness as the power lines pass them. If the STABEX funds cannot be used to step down power for residents living in a certain locality, the community must be told to raise money, so that the money from STABEX funds can be matched up with money from the local community so that they can also be served.

I have in mind a power line which goes to a place called Thunguri in my constituency. It passes through a town called Kiangai, where there is a dispensary, a village, a shopping centre, school and many other institutions. We have paid only a deposit in our application for rural electrification and we have been told that, that project cannot be joined together with the one of STABEX funds. Common sense demands that when you are doing something like that, you must be able to utilise the funds that you have, so that everybody benefits.

Another area which this Government must also take care of so that we have equal distribution of these resources is Nairobi. If you go to Kawangware area, there is no light, but in Kilimani there is light. Is it not time when this Government must make Kenyans feel that they are equal, so that the ones who are disadvantaged feel that this is their Government also?

I have also a problem in what this Government calls renewable energy. What is the policy of this Government on renewable energy? Is it a policy known by Kenyans, or is it a policy where the Minister, during Budget time, comes and talks about renewable energy, biogas and wind? What is the policy?

**The Assistant Minister for Energy** (Eng. Manga): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to also contribute to this very important Motion. I must say that the Motion is very important and has been very ably moved by the Minister. I would want to join my colleagues in discussing about petroleum. In this country, we respect liberalisation and we want the market to dictate the prices, but the unfortunate situation that we have is that the multinationals have become mercenaries. They have decided to strangle us because if you look at the pump prices from the same source, you would be surprised. If you go to Migori, which is about 500 kilometres away from Nairobi, some people are selling super petrol at Kshs54. In Nairobi, it is Kshs58. You cannot understand why that happens. You will find that the price of Kshs58 was created because the Minister for Finance, during his Budget speech, did mention that the petroleum companies were going to pay Kshs2 as tax to the Government. He clearly said that, that was not going to be passed on to the customers. The next day, the oil companies adjusted the prices to more than Kshs2, and that showed that the oil companies and the multinationals are not patriotic to this country. The people are suffering because the multinationals want to dictate prices to them. I, therefore, quite agree with my colleagues who said that, maybe, the Government has to think again about controlling the prices of these products.

Regarding electricity in this country, it is very expensive. I must say that the planners who were there before misplanned the whole thing. What they called potential areas were just places where, maybe, they came from. This caused a lot of problems. Take the example of a district like Kuria where I come from. It has all the potential and it does not have even one electricity project. Maybe, by good luck, we will have electricity very soon in Kehancha. I think the distribution policy has not been quite good and that is why most of the areas are suffering. I just want to mention that in places like Central Province, nearly every place has electricity. You can say that it is a potential area, but then why leave others out? That has been a big problem. We think that we are rectifying that. I am happy that the Minister is trying to rectify that. I think very soon, we will be considered.

Regarding the REP, this is a very important programme. It reaches all the villages of Kenya, but I must say that it is a very expensive programme. It has to be supported. In 1997, we enacted a law here where we said that 5 per cent of all electricity consumed would go into the levy, which would help to improve the rural areas. But what we get from that levy is about Kshs60 million per month. That adds up to about Kshs720 million per year. That is not enough for operation and maintenance of the lines that have already been built. Therefore, that figure cannot do anything. We need to find a way of improving rural electrification. It is a very important programme that could reduce unemployment. All the young men who have completed their education cannot go to towns. They can start their Jua Kali businesses in their small towns. But, as I said, the Rural Electrification Programme (REP) has problems.

I also think that the programme is expensive. There needs to be a Government subsidy on the programme. We request our development partners to assist us in that regard. The REP has problems. We have a master plan. I

heard somebody say that lines are just put haphazardly due to influence from certain quarters. That is not true. We put up those lines according to a master plan which was established. If the master plan is followed, it will cater for the most important areas. It is not true that lines are put up due to influence from some people. They are put up according to the master plan that was drawn up and approved by the Government.

Mr. Temporary Deputy Speaker, Sir, I want to agree with one gentleman who spoke and said that this Ministry requires glucose in order to work. Glucose in that sense means money. We really need money to be able to supply electricity to this nation. I believe electricity is the lifeline of development. Without energy, we cannot do much. I urge our friends on the other side of the House to help us to get money. They should not be against us getting the money from donors to supply electricity around the country.

Thank you very much.

**Mr. Omingo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this time to contribute to the debate before the House. The Ministry of Energy is very important. That is why when the Attorney-General walks into Parliament, he shouts "power", because he knows that is where the power rests. Now that we have a very able Minister so to say, and now that he is being appreciated from the other side - he was not appreciated before - we believe they are not going to taint his good efforts to deliver in that particular respect.

Mr. Temporary Deputy Speaker, basically, I would want to take issue with the management of the energy sector in this nation. We should not be talking about energy management when we have somebody sitting in a parastatal in the energy sector for as long as some of us grew up! We have had him in that particular corporation. Do you know that continued knowledge that has got no replenishment gets stale at one time? So, we feel that something should be done in the Kenya Power and Lighting Company (KPLC). We are talking about resource allocation. The KPLC has abused power--- I think it is also ironical--- As I said, it calls for a refreshed kind of thinking in terms of energy management. The KPLC spends quite a substantial amount of money to put a line across a particular section, and drops it somewhere. It takes a very long time to expand the same, to recover from the people who are supposed to consume power. Even the kind of management and accountancy involved in that particular company is put to question.

For instance, why should the residents spend Kshs5 million and have a transformer there; people apply, and you give them impossible tariffs for them to be connected? I think it is also a shame. We need to recover those capital costs, so that the KPLC can continue. As I said, the energy cost in this country is quite expensive. When people retire from the Civil Service, they are supposed to go and start small-scale industries. How can they afford to run small-scale industries without power? Even when the power is available, it is unaffordable. We are saying that we require a total change of thinking in the distribution of energy power.

Mr. Temporary Deputy Speaker, Sir, again, in terms of generation and distribution of resources, the KPLC--- I do not want to spell doom, but I think time will tell. The KPLC is almost going down the drain, simply because its resources are not used for the purposes they are intended. The KPLC sometimes finances--- I must state here that towards the election period, you will find tariffs being increased for the purpose of funding the elections. Time will tell---

**The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Affey):** On a point of order, Mr. Temporary Deputy Speaker, Sir. I do not intend to waste the Member's time, but he has made a very serious allegation! First, he has made an allegation against the management of the KPLC, which, in our view, is a very good management style.

Besides, he has also said that money from the KPLC is used for support during the election period. Could he put some viable substantiation because, leaders, when they make some statements, must qualify them? Otherwise, we do not want people to come and rumour in an honourable House like this one. Could he substantiate?

**Mr. Omingo:** Mr. Deputy Speaker, Sir, I do not intend to dispute whatever he is saying. But some things do not require substantiation! I do not have disrespect for senior members of this nation sitting in the KPLC Board. For example, on Mr. Mulu Mutisya, what are we talking about? You want substantiation to know what kind of management we are talking about? Please, allow me to go on.

Siltation in our---

**The Assistant Minister for Local Government (Mr. Sirma):** On a point of order, Mr. Temporary Deputy Speaker, Sir. I thought Mr. Affey requested Mr. Omingo to substantiate his allegations or possibly withdraw them! That is an allegation which has no substance! I think we need your ruling there.

**The Temporary Deputy Speaker (Mr. Muturi):** The position is that Mr. Affey sought a substantiation. He did not seek further withdrawal of the allegations. Maybe, Mr. Omingo should substantiate his allegations!

**The Assistant Minister for Foreign Affairs and International Co-operation (Mr. Affey):** On a point of order, Mr. Temporary Deputy Speaker, Sir. It goes without saying that once you ask for substantiation and a Member



cannot substantiate, then he withdraws the statement! We do not want rumours in this House! Could he substantiate or withdraw? Let him withdraw and continue! We will not give him peace until he substantiates or withdraws!

**Mr. Omingo:** Mr. Temporary Deputy Speaker, Sir, I think the hon. Member is trying to waste my time. What I am saying is that we require to move on in terms of revitalising the energy sector. Let us have positive-thinking Kenyans working for such organisations.

#### MEMBER'S HALF HOUR STATEMENTS

**The Temporary Deputy Speaker** (Mr. Muturi): Order, Mr. Omingo! Just a second!

Hon. Members, there is a notice that Mr. Muchiri, the Member for Kasarani Constituency, wishes to raise a point during "zero hour", directed to the Ministry of Local Government. I am also further informed that his Party Whip did not, in terms of Standing Order No.20, Paragraph A, subsection 3, notify the Minister for Local Government before 4.00 p.m., that Mr. Muchiri had intended to raise the point that he intends to raise. But that, notwithstanding, now that I can see Mr. Sirma here, who ably represents the Minister, I use my discretion to allow Mr. Muchiri to raise his point, which he gave to the Speaker and was approved.

While doing so, I do note that Mr. Omingo will have five minutes, part of which time, will be used to substantiate the allegations that he made, as sought by Mr. Affey.

Proceed, Mr. Muchiri!

#### WATER SHORTAGE IN MWIKI WARD

**Mr. Muchiri:** On a point of order, Mr. Temporary Deputy Speaker, Sir. I rise to seek an explanation as to why the residents of Mwiki Ward in Kasarani, Nairobi have had no water for the last seven days and why Nairobi City Council cannot give the residents of Kasarani, Mwiki, individual water metres rather than one metre supplying water for the whole ward.

**The Assistant Minister for Local Government** (Mr. Sirma): Mr. Temporary Deputy Speaker, Sir, I wish to request to respond on Tuesday, next week.

#### COMMUNICATION FROM THE CHAIR

##### INVITATION TO MANUAL FORUM LAUNCH

**The Temporary Deputy Speaker** (Mr. Muturi): Very well. Hon. Members, you have all been invited by the Deputy Speaker for some refreshments in the Old Chamber at the launch of [**The Temporary Deputy Speaker**] their Manual Forum, Kenya Chapter, after we adjourn.

#### ADJOURNMENT

**The Temporary Deputy Speaker** (Mr. Muturi):  
Hon. Members, it is now time for the interruption of business. The House, therefore, stands adjourned and will resume on Tuesday, 9th October, at 2.30 p.m.

The House rose at 6.35 p.m.