

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 12th October, 2005

The House met at 2.30 p.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

QUESTIONS BY PRIVATE NOTICE

MASSIVE DROP IN CBK PROFITS IN 2005

(Mr. Billow) to ask the Minister for Finance:-

(a) Could the Minister explain the circumstances that led to the massive drop in profits by over Kshs9 billion by the Central Bank of Kenya (CBK) for the year ending 30th June, 2005?

(b) How much expenditure did the bank incur on printing and managing the currency in each of the last three years?

(c) Is the Minister aware that the bank purchased property and equipment worth Kshs1.2 billion during the year, and if so, could he table the list?

Dr. Godana: Mr. Deputy Speaker, Sir, I seek your indulgence to have this Question deferred because Mr. Billow flew to Mandera District and is stranded there.

Mr. Deputy Speaker: What is your reaction, Mr. Assistant Minister?

The Assistant Minister for Finance (Mr. Obwocha): Mr. Deputy Speaker, Sir, all Questions are important. I do not think Dr. Godana has instructions from Mr. Billow on this particular Question. In any case, this Question arises from the information obtained from published accounts, and is public knowledge. I would like to know from the Chair whether the Question is properly before the House, although I am prepared to answer it. Since the Questioner is not here, the Question should be dropped as is the case when a Questioner is not in the House to ask his or her Question.

Hon. Members: It is not your duty to tell the Chair what to do!

Mr. Deputy Speaker: Order, hon. Members! The hon. Member has addressed me. Do you want to assist me with my work? Could you, first of all, let me try and if I am unable, then you can give it a trial?

I think it is not the issue of the Question being important or not. As Mr. Obwocha has rightly said, all Questions are important. Nevertheless, I think the reason advanced by Dr. Godana is reasonable.

On the issue as to whether the Question is rightly before the House, I would like to say that it is because Mr. Speaker approved it.

(Applause)

Therefore, I will defer this Question until tomorrow because it is a Question by Private

Notice! I would not like to defer it further than tomorrow. If Mr. Billow does not show up, it will be dropped! I take it that Dr. Godana must have been briefed. Otherwise, why would he say something that he was not briefed on, unless there is any doubt? Therefore, I will defer the Question until tomorrow afternoon!

(Question deferred)

The Assistant Minister for Finance (Mr. Obwocha): Mr. Deputy Speaker, Sir, I have no intention of challenging your ruling. However, when Dr. Godana came here before you came in, he actually told me that he did not get any instructions from Mr. Billow on this Question. He told me that this is an important Question and he would intervene. If I am saying something different from what he said, he should say so.

Mr. Deputy Speaker: Order! I do not want that exchange! I have already ruled on the matter. If Dr. Godana told you that, I do not have that information!

Dr. Godana: Mr. Deputy Speaker, Sir, I did not tell him that!

Mr. Deputy Speaker: Next Question by Dr. Khalwale!

SHORTAGE OF STAFF/FACILITIES AT
KAKAMEGA PROVINCIAL HOSPITAL

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

What is the Minister doing to restore normal services at Kakamega Provincial General Hospital where the delivery of medical services has been paralysed by the shortage of staff and facilities, putting the lives of thousands of patients at risk?

Mr. Deputy Speaker: The Clerk has informed me that the Minister has called and said that she is unable to come and her Assistant Minister is not available to answer the Question. Therefore, I will defer this Question until tomorrow!

Hon. Members: But there are two Assistant Ministers in that Ministry!

Mr. Deputy Speaker: Order! The Minister has said that she has no Assistant Minister to answer the Question. Dr. Khalwale, I will defer this Question until tomorrow just as I have deferred the first Question by Private Notice!

(Question deferred)

I will also defer Question No.549 when I come to it!

ORAL ANSWERS TO QUESTIONS

Question No.624

DEATH GRATUITY FOR MR. JOHN
MORENGANIA'S FAMILY

Mr. Angwenyi, on behalf of **Mr. Opore**, asked the Minister of State, Office of the President:-

(a) whether he is aware that a cheque for an amount of Kshs83,495/80 meant for the family of the late John Otimi Morengania who died on 19th April, 1996, was

returned to the Office of the President, vide a letter Ref.TY.FIN.4/27/160 dated 31st December, 1996 by the Kisii District Commissioner because he could not access the funds; and,

(b) what immediate arrangements he is making to have the family paid the full benefits.

Mr. Deputy Speaker: Mr. Anywenyi, I take it that Mr. Opore has instructed you to ask the Question on his behalf!

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

(a) I am aware that the said cheque was deposited in the estate deposit account during the 1996/97 financial year. The Miscellaneous and Estate Deposit Account was frozen and the money withdrawn to Nairobi.

(b) Cheque No.004851 of Kshs83,495.80 for the late John Otimi Morengania has been dispatched to the DC, Kisii to enable him pay the family of the late John Otimi Morengania his full benefits.

I would like to add that the cheque was prepared this morning. The forwarding letter was also signed this morning. I would like to lay on the Table, the forwarding letter and a photocopy of the cheque to reassure the hon. Member.

*(Mr. M. Kariuki laid the documents
on the Table)*

Mr. Angwenyi: Mr. Deputy Speaker, Sir, it has taken the Government ten years to pay benefits to the family of the late John Otimi Morengania. What interest and penalties has the Assistant Minister paid for delaying to make this payment to that family for the last ten years?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, the claimant did not come forward to claim the money when the cheque was forwarded in 1996. As it happens with Government accounts, the account was frozen and the money returned to Nairobi. So, it is not our fault. However, we acted promptly when the hon. Member reminded us. The payment is ready.

Dr. Manduku: Thank you, Mr. Deputy Speaker, Sir. It is now ten years since a cheque was prepared for a deceased person. The money was not paid until this morning. What happens to all those people who have no access to their hon. Members so that they can ask Questions of this nature in Parliament? Will they be paid by this Government?

(Applause)

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, I appreciate the delay. It is really not late. Nine years have lapsed but there was a clear intention to pay this money which was sent to the district. I do not think that it is fair to apportion blame squarely on the Government when the claimant had a duty to go and claim the money from the DC's office. I am sure the matter would have been revived. I agree that there could be many cases of similar nature and I encourage such claimants to go to the district headquarters. We will make necessary arrangements for the payments if the money has been returned to Nairobi.

Mr. Mwandawiro: Mr. Deputy Speaker, Sir, wherever the money was kept, it accrued interest. Will the interest that was accrued for the last ten years be paid to the family of the deceased?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, the issue of interest will only arise if the blame squarely lies on the Government. However, the payment was made in time and the claimant never

came forward to claim the money. So, he cannot ask to be paid interest now. It was his fault. **Mr. Mwandawiro:** On a point of order, Mr. Deputy Speaker, Sir.

Mr. Deputy Speaker: Order! Last question, Mr. Angwenyi!

Mr. Angwenyi: Mr. Deputy Speaker, Sir, we have seen poor Kenyans suffer under our Government. What measures has the Assistant Minister put in place to ensure that the beneficiaries of this kind of payment receive the payment on time without hon. Members asking Questions in Parliament?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, I think a person should receive his emoluments before he leaves office. This House has already passed the Pensions Act. The Act says that the money will continue to attract interest as long as it is not paid. So, the modalities of ensuring that the employer pays in time are already in place. The law is there.

Question No.623

DEATH GRATUITY FOR MR.
SILAS KOSGEY'S DEPENDANTS

Mr. Sambu asked the Minister for Education, Science and Technology:-

(a) whether he is aware that Mr. Silas K. Kosgey, TSC No.430008 passed away on 17th November, 2003, while on duty;

(b) whether he is further aware that death gratuity has not been paid to his next of kin to date; and,

(c) if the answer to "b" above is in the affirmative, when the death gratuity will be paid.

The Assistant Minister for Education, Science and Technology (Mrs. Mugo): Mr. Deputy Speaker, Sir, I beg to reply.

(a) I am aware that the late Mr. Silas K. Kosgey, TSC No.430008 passed away on 17th November, 2003. I am further aware that death gratuity has not been paid to next of kin. The late Silas died while he was still serving under probationary terms. He, therefore, has no gratuity to benefit his next of kin. However, a refund of the Widows and Children's Pension Scheme will be processed once the next of kin settles a Government liability amounting to Kshs17,650.15.

Mr. Sambu: Mr. Deputy Speaker, Sir, other employers in this Republic have found ways of compensating their workers under a scheme called "Workmen's Compensation Act". The late Silas K. Kosgey did not hang himself. Could the Assistant Minister tell the House why the Government discriminates against teachers who take care of our children? When they die in an accident, as it happened to the late Silas K. Kosgey who was performing his duties, they are not compensated by the Government. Why does the Government discriminate against teachers, and yet other workers are compensated under the Workmen's Compensation Act?

Mrs. Mugo: Mr. Deputy Speaker, Sir, this Government does not discriminate against teachers. However, there are different terms of service which are issued to every teacher, of which, I have a copy here. If there is anything that needs to be done further, it is a matter of discussion.

Mr. Abdirahman: Mr. Deputy Speaker, Sir, it is about two years since this particular teacher passed away. We can hear the Assistant Minister say that once the next of kin pay the Kshs17,000, the family would be paid his benefits. I wonder why the TSC should not pay them and deduct the Kshs17,000. I am saying this because many families are inconvenienced a lot, not only by the TSC, but also other Ministries. Why can the Ministry not deduct the Kshs17,000 and pay the family the balance, in order to ease the suffering they are undergoing?

Mrs. Mugo: Mr. Deputy Speaker, Sir, the Widows' and Childrens' Pension Scheme Refund is only 2 per cent of the monthly salary. I doubt that a service of one year would have accrued the

amount that is being asked by the family of the deceased teacher. In any case, the next of kin have benefitted much more than they owe.

Mr. Bahari: Mr. Deputy Speaker, Sir, in view of the fact that this person died while on duty, could the Assistant Minister consider writing off this debt? This kind of debts are normally insured by employers.

Mrs. Mugo: Mr. Deputy Speaker, Sir, now that a request has been made, the Ministry will look into the possibility of doing that.

Mr. Sambu: Mr. Deputy Speaker, Sir, the Assistant Minister did not answer my Question because there exists the Workmans' Compensation Act. I want to specifically know why labour officers take other employers to court for not complying with that Act and neglect teachers. They escape by paying teachers 2 per cent only. I wonder whether it is per month or per annum.

Mrs. Mugo: Mr. Deputy Speaker, Sir, this is a policy. Mr. Sambu knows very well that this is an agreement between the Kenya National Union of Teachers and the TSC. If there is any discrepancy, that is where it should be looked into. I have taken his sentiments and will look into the matter.

Question No.666

COST OF CONSTRUCTION OF
KAMITI ROAD

Mr. Omondi asked the Minister for Roads and Public Works:-

- (a) which contractor was awarded the construction of Kamiti Road, D400; and,
- (b) when the said contractor is commencing the work and how much the project is estimated to cost.

The Assistant Minister for Roads and Public Works (Eng. Toro): Mr. Deputy Speaker, Sir, I beg to reply.

(a) The contract for repair and rehabilitation of Ruiru-Kamiti-Kiambu (C63), Roysambu-Kamiti (D400) and Kiambu-Muthaiga (C64) roads was awarded to M/s S.S. Mehta and Sons Limited of P.O. Box 41853-00100 Nairobi on 14th March, 2005.

(b) The contractor commenced works on the project on 17th August, 2005. The contract sum for the project is Kshs795,985,620.00.

Mr. Omondi: Mr. Deputy Speaker, Sir, I would like to thank the Assistant Minister for that answer. His answer in Part "a" of the Question states that the project covers three roads; C63, D400 and C64. Could the Assistant Minister inform the House how much money has been allocated for Road D400 and if the works are in progress?

Eng. Toro: Mr. Deputy Speaker, Sir, the contract sum is the same and I cannot isolate the Roysambu-Kamiti Road, D400, from the other sections of the road because it was not tendered under one item. So, it is not possible to give him a separate figure for that section.

Archbishop Ondiek: Mr. Deputy Speaker, Sir, I would like to know from the Assistant Minister what policy they have to compel a contractor to be on site on time. There are some contractors who do not report to the sites for almost one year.

Eng. Toro: Mr. Deputy Speaker, Sir, normally the contractor is given three months to mobilise his equipment. So, he can choose to mobilise within one, two or three months without penalties. But if the tender says that he should mobilise within three months but he fails, he should explain to the Ministry of Roads and Public Works why he is not mobilising. Thereafter, the procedure for termination of the contract can be then followed.

Mr. Deputy Speaker: In the case of this road in question, how many months did he

mobilise?

Eng. Toro: Mr. Deputy Speaker, Sir, as I said in the answer, the award was done in March and he commenced in August, 2005.

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, when we were discussing the Vote of the Ministry of Roads and Public Works, the Minister was very clear that a contractor will be given only one road to work on. How come this contractor has been given three roads at the same time?

Eng. Toro: Mr. Deputy Speaker, Sir, these are various sections of the road. The total length for those various sections is 40 kilometres. So, although the roads are different, they were all tendered under one contract sum covering 40 kilometres. It was found economical to put all of them together and tender as one project instead of separating all of them. If they were given to four different contractors, mobilisation for the different sections of the road would have cost much more than when one contractor is mobilising for the whole section of the road totalling 40 kilometres.

Mr. Omondi: Mr. Deputy Speaker, Sir, there is some blackmail in this contract that cuts across constituencies. For example, last year a contractor was awarded the tender for construction of the Garden Estate Road, and when it reached the gate of Mr. Michuki, it ended there. It did not reach Kasarani. I would like the Assistant Minister to confirm, that this time round the construction will not stop at Kahawa West where Mr. Kamanda has business interests.

Eng. Toro: Mr. Deputy Speaker, Sir, when tender documents are given out, our engineers do not know where Mr. Kamanda or Mr. Omondi have interests. So, the worry about whether it will reach his constituency or not does not arise. The route is properly categorised and will cover the 40 kilometres I have talked about. He should not worry at all.

Question No.549

AMBULANCES FOR HEALTH FACILITIES
IN UGENYA CONSTITUENCY

Archbishop Ondiek asked the Minister for Health:-

- (a) when her Ministry will deliver ambulances to Ukwala Health Centre and Ambira Sub-district Hospital in Ugenya Constituency as she promised to the House; and,
- (b) when Ukwala Health Centre will be upgraded to a sub-district hospital.

Mr. Deputy Speaker: Archbishop Ondiek, this Question is the second one the Minister requested to be deferred. Since I had already deferred the first one, I will defer this one to tomorrow afternoon.

(Question deferred)

Question No.201

TERMINAL BENEFITS FOR
FORMER KCC WORKERS

Mr. Ndolo asked the Minister for Co-operative Development and Marketing whether he could inform the House why the Kenya Co-operative Creameries (KCC) has not paid retirement and terminal benefits to former workers since the Government took over its management.

Mr. Deputy Speaker: Where is the Minister for Co-operative Development and Marketing? He is not here? Your Excellency the Vice-President and Minister for Home Affairs, the

Minister for Co-operative Development and Marketing is not here and we have no information about Question No.201. What shall we do?

The Vice-President and Minister for Home Affairs (Mr. Awori): Mr. Deputy Speaker, Sir, may I ask for your indulgence to defer the Question to Tuesday next week. I will ensure that the Minister or the Assistant Minister will be here to reply.

Mr. Deputy Speaker: Very well. Mr. Ndolo, you have heard his Excellency the Vice-President and Minister for Home Affairs. We, therefore, oblige and defer the Question until Tuesday afternoon. Is that all right?

Mr. Ndolo: Mr. Deputy Speaker, Sir, its all right. But I have the answer here.

Mr. Deputy Speaker: Very well, but there is no one to read it!

(Question deferred)

So, we go to the next Question, No. 567 by hon. J.M. Mutiso!

Question No.567

HIGHER CHARGES FOR UGANDAN/TANZANIAN

STUDENTS IN UTALII COLLEGE

Mr. J.M. Mutiso: Mr. Deputy Speaker, Sir, we had agreed with the Assistant Minister responsible that we defer this Question to Tuesday, next week.

Mr. Deputy Speaker: How can you agree without the indulgence of the House? Did you agree with Mr. J. Nyagah?

Mr. J.M. Mutiso: Yes.

Mr. Deputy Speaker: I am sorry; Mr. J. Nyagah did actually inform me of that agreement. I defer this Question to Tuesday afternoon.

(Question deferred)

Next Question by Mr. Wamwere!

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

Mr. Deputy Speaker: What is it? You are not Mr. Wamwere.

Mr. Muiruri: Mr. Deputy Speaker, Sir, Mr. Wamwere has just lost his grandmother and he asked me to request you to defer that Question until sometimes next week.

Mr. Deputy Speaker: Yes, indeed. It is recorded here that there was a request from hon. Wamwere that the Question be deferred for unspecified reasons.

Question No.090

NON-PAYMENT OF COMPENSATION TO MR. JOHN NJOROGES WIDOW

Mr. Deputy Speaker: In view of what hon. Muiruri has said, I would oblige and I defer this Question until Tuesday next week.

(Question deferred)

That is the end of Question Time.

The Minister for Labour and Human Resource Development (Dr. Kulundu): On a point of order, Mr. Deputy Speaker, Sir. Hon. Wamwere had requested for a written answer and not an oral answer, and I have a written answer here. Is it possible that I can just give it to him?

Mr. Deputy Speaker: No, Dr. Kulundu! Let us wait until Tuesday, next week.

(Laughter)

The Minister for Roads and Public Works (Mr. Raila): On a point of order, Mr. Deputy Speaker, Sir. In the past, we have talked about those written answers, because our Standing Orders provide for written answers to hon. Members, and they do not have to be listed on the Order Paper here. If it is true that the hon. Member asked for a written answer, then there is no reason why the Question should appear on the Order Paper.

Mr. Deputy Speaker: You are right, but then the Clerk will have to look at that issue. In any case, if the hon. Member had asked for a written answer, then the Minister would not have brought it to the House! It would have been sent to the hon. Member's office and not here. So, I think that matter needs to be looked into again and we want to know whether the hon. Member requested for a written or oral answer. If it was a written answer, then it should be sent to the hon.

COMMUNICATION FROM THE CHAIR

VISIT BY THE NEPAD AFRICAN PEER REVIEW MECHANISM TEAM

Hon. Members, the New Partnership for Africa's Development (NEPAD) team, led by Dr. Graca Machel, wife of the former President of the Republic of South Africa, Dr. Nelson Mandela, will pay an official visit to the Kenya National Assembly tomorrow. The team wishes to meet Committee Chairmen, as many Committee Members as possible, women parliamentarians and other interested Members of Parliament to discuss issues on democracy, national economic governance and management, corporate governance and social economic development. The meeting will be held in the Old Chamber at 10.00 a.m. I appeal to all hon. Members involved to avail themselves for this important meeting and to participate in the deliberations. On behalf of the Kenya National Assembly and on my own behalf, I take the opportunity to welcome Dr. Graca Machel to Parliament Buildings and wish her a pleasant and fruitful visit tomorrow.

Thank you, hon. Members.

*(Mrs. Kilimo walked in
amidst applause)*

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

Mr. Deputy Speaker: What is it about, Dr. Khalwale?

Dr. Khalwale: Mr. Deputy Speaker, Sir, the media has informed this country that--- As much as we respect Dr. Machel, she has made disparaging remarks about us, hon. Members of Parliament. Could the Office of the Public Relations of Parliament ensure that she tones down on that language while she visits us here?

Hon. Members: Yes! Yes!

(Applause)

Mr. Deputy Speaker: Order! Order! Order! I do not think we need to dwell on that matter. The matter is closed and I do not think you need to raise such matters to a visiting dignitary in this House!

Now, the Assistant Minister for Co-operative Development and Marketing is here. Mr. Ndolo, I will allow you to ask your Question, because he is here and there is a lot of time.

Mr. Ndolo: Thank you, Mr. Deputy Speaker, Sir, for giving me a second chance.

Dr. Godana: On a point of order, Mr. Deputy Speaker, Sir. I thought we had concluded Question Time, and you actually gave a Communication from the Chair after Question Time. Are we setting a precedent where we can come back to Questions later even after completing---

Mr. Deputy Speaker: Order! I did not go to the next Order! I have just exercised my discretion and I have done it before going to the next Order.

Proceed, Mr. Ndolo!

Resumption of Oral Answers to Questions

Question No.201

TERMINAL BENEFITS FOR
FORMER KCC WORKERS

Mr. Ndolo asked the Minister for Co-operative Development and Marketing whether he could inform the House why the Kenya Co-operative Creameries (KCC) has not paid retirement and terminal benefits to former workers since the Government took over its management.

The Assistant Minister for Co-operative Development and Marketing (Mr. Kenneth): Mr. Deputy Speaker, Sir, let me start by apologizing for coming late and to seek the House's indulgence.

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

The New Kenya Co-operative Creameries (KCC) cannot pay retirement and terminal benefits to former workers since it is an entirely new legal entity.

Mr. Ndolo: Mr. Deputy Speaker, Sir, this is a very serious matter. You can see the way the Assistant Minister has answered this Question and the arrogance that is there in this Government. The Government is now conning poor Kenyans. Some of those workers have been working in that industry for more than 20 years. Now, you are telling those workers that you are not going to pay them. Could the Assistant Minister tell this House who is going to pay those workers and why is he bringing the issue of legal entity in this issue right now?

Mr. Kenneth: Mr. Deputy Speaker, Sir, the fact that the answer was short does not mean it was arrogant. The KCC went under and into receivership, and it was received by the Kenya Commercial Bank (KCB). The KCB sold that factory to a new entity called KCC 2000. At that time, those workers should have been paid or ought to have been paid, but they were not paid. Last year, we formed a new company, the New KCC that acquired the whole company from KCC 2000. What I am trying to say is that, there are two entities that have come into being, and those workers should have been paid when KCC was being received and the matter was under the official receiver. Now, they are not entitled to be paid by the new company in as much as they ought to have been paid at that time.

Mr. Kajwang: Mr. Deputy Speaker, Sir, pension is a matter of human rights, and governments everywhere in the world protect pensions jealously, and it matters not that a company goes under. The first debt which must be settled by the receiver are pensions, because you cannot have people work for you for 20 years and go home without anything to support them during their old age. So, what is the Government doing? We do not care about the companies, because the Government must guarantee pensions. What is the Government doing to make sure that those people are paid their pensions?

Mr. Kenneth: Mr. Deputy Speaker, Sir, we have tried to ask the official receiver to account for the figures he received at the time when he sold this company to KCC 2000. Indeed, the file is still open at the official receiver. But the first beneficiary when the company was sold was the debenture holder, who was the KCB.

Mr. Midiwo: Thank you, Mr. Deputy Speaker, Sir. I think the Assistant Minister is not addressing the Question adequately. The Question is specifically asking the Government to sort out the mess at the KCC as far as pensions are concerned. I do not think workers care one way or the other where the money comes from, but I think it is the duty of the Government to prioritize it, so that workers are paid when such things occur. Here is a case where we are behaving as a Government which does not care about our own people! Mr. Kenneth, how do you think people feel when they hear that we are building the President a palace for Kshs100 million and they do not have just a little money for their pension? Could the Assistant Minister ask the Government to ensure that those people are paid their pensions?

Mr. Kenneth: I do not think the Vote on the building of the palace is under this Ministry, but the Question as it is here is very clear; we were asked why the KCC cannot pay, and I was trying to answer why the New KCC cannot be able to pay those particular workers. We are, of course, concerned that those workers were not paid. It would be inhuman if we were not concerned! But then, how would we ask the New KCC, as a new entity, to pay up? Under what budget would they pay this? I did say that the official receiver--- We have tried to ask all the former workers of KCC to pursue the case with the official receiver, who was handling this particular receivership. We have tried to assist by asking the receiver to account for everything, but they have said that the first beneficiary happened to be the debenture holder, who was the KCB.

Mr. Muturi: Mr. Deputy Speaker, Sir, in as much as the Assistant Minister says that there is a new entity, we do know for a fact that the Government pumped in over Kshs547 million towards the acquisition of this company. It is in that spirit that the question is being asked; what is the Government going to do to ensure that those workers of the same entity can get some benefit out of their terminal dues?

Mr. Kenneth: Mr. Deputy Speaker, Sir, I said that we have asked the official receiver who was handling the entire matter about that issue. We shall continue to pursue the matter. The Kshs547 million was as a result of a transaction between the New Kenya Co-operative Creameries (KCC) and KCC 2000.

Mr. Ndolo: Mr. Deputy Speaker, Sir, it seems as if the Government is abandoning its own people. The Government is now in the mood of giving Amboseli National Park and other game reserves back to the communities living around them. The Government was involved in buying KCC and right now, the workers have not been paid. Could the Assistant Minister tell this House who are the directors of KCC? Why can the Government not pay the workers after buying KCC from the other company?

Mr. Kenneth: Mr. Deputy Speaker, Sir, first of all, the Government does not operate on moods. It operates on very well laid down policies---

An hon. Member: Mood?

Mr. Kenneth: Yes! But that is what he said. He said that the Government is in a mood--- The Government is not in any mood.

(Applause)

Mr. Deputy Speaker, Sir, that problem was there even before KCC 2000 acquired the assets of the former KCC. So, it is not something that the Government or the New KCC has acquired. On the issue of directorship, I have no problem. It is a public company and the file is open for scrutiny. We could always table the list of the directors.

Mr. Sambu: On a point of order, Mr. Deputy Speaker, Sir. Am I in order to request the Question to be deferred? The Assistant Minister has categorically stated that they have sought some information from the official receiver but, apparently, they have not received it. Am I in order to ask that the Question be deferred until he gets that information and lays it on the Table?

Mr. Deputy Speaker: Quite honestly, I do not see why this Question should be deferred. It has been exhaustively answered.

Next order!

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

Mr. Deputy Speaker: What is it, Mr. Angwenyi?

Mr. Angwenyi: Mr. Deputy Speaker, Sir, this is a Parliament that ensures the welfare of society and the just government of men!

Hon. Members: And women! And women!

Mr. Angwenyi: Mr. Deputy Speaker, Sir, the workers of KCC have been insulted by a Government of the welfare of society and just government of men!

Mr. Deputy Speaker: What is your point of order?

Mr. Angwenyi: Mr. Deputy Speaker, Sir, my point of order is this: Am I in order to ask the Government to go back and find a way of compensating those people by giving them their retirement benefits? You should defer the Question!

Mr. Deputy Speaker: 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. Nyachae): Mr. Deputy Speaker, Sir, I beg to move that Mr. Speaker do now leave the Chair. Before I present a breakdown of my 2005/2006 financial requirements, I wish to highlight some pertinent issues that characterise Kenya's energy sector.

Mr. Deputy Speaker, Sir, energy is a critical factor input in any economy and its delivery to consumers in all sectors in a cost-effective manner is, therefore, crucial to an accelerated recovery of our economy. The energy sector has, hitherto, continued to encounter significant challenges. The

principal ones being:-

1. An extremely weak power distribution system which, as hon. Members are aware, results in frequent power blackouts and severe voltage fluctuations.
2. Inability of the Kenya Power and Lighting Company (KPLC) to respond to consumer needs, including connecting new consumers at a pace consistent with their expectations. That undesirable situation, which has also affected the pace of rural electrification country wide, has its root causes in the current procurement regulations and lack of proactive procurement strategy by KPLC. In parallel with the commendable action taken by this august House in legislating a new Procurement Act, KPLC has now prepared a comprehensive procurement plan to address issues relating to consumer connections and quality of power supply.
3. Limited power generation capacity relative to rapidly growing demands.
4. High cost of energy, both petroleum and electricity.
5. Inability of Kenya Petroleum Refineries Ltd to produce petroleum fuels which, not only meet international standards, but are also competitive with importers.
6. Lack of adequate import handling and distribution infrastructure of Liquefied Petroleum Gas (LPG).
7. Over-dependency on firewood and charcoal by majority of our population with serious adverse implications of soil erosion, deforestation, agricultural production and hydro-power generation.

Mr. Deputy Speaker, Sir, my Ministry's budget is dedicated to addressing those energy supply challenges. Consistent with these remarks, I now wish to elaborate on the activities for which I seek an approval of this august House to spend a sum of Kshs8,060,509,000 and Kshs325,517,000 in Development and Recurrent expenditures, respectively, during this financial year. The 2005/2006 development estimates of the gross expenditure is Kshs8,060,509,000. On Head 42(b) - Headquarters Administrative Services - gross expenditure amounts to Kshs130,956,000.

Mr. Deputy Speaker, Sir, allow me to express Kenya's appreciation for the support received from the World Bank in spearheading a lending operation to help jump-start the recovery of the energy sector in partnership with three other development partners. The four development partners have provided a soft loan amounting to an equivalent of US\$218.9 million as follows:-

| | |
|---------------------------|-----------------------|
| World Bank SDR | - US\$55.2 million. |
| European Investment Bank | - 75.5 million Euros. |
| Nordic Development Bank | - 10 million Euros. |
| French Development Agency | - 25 million Euros. |

These funds which will be disbursed over a period of five years up to the year 2009, will largely be expended on upgrading of Kenya Power and Lighting Company's (KPLC's) dilapidated power distribution system, enhancing consumer connections and raising generation capacity at the Ol Karia II Geothermal Station by 35 megawatts.

Mr. Deputy Speaker, Sir, another key component of this multi-donor project is capacity building. During this financial year, Kshs130,956,000 has been set aside from funds provided by the World Bank for capacity building as follows:

- (i) Kshsh44,900,000 for the Electricity Regulatory Board (ERB);
- (ii) Kshs50,700,000 for the Kenya Bureau of Standards (KEBS) to enhance regulatory capacity in testing and monitoring of petroleum fuels market with a view to curbing dumping of export products and adulteration of motor fuel with kerosene and
- (iii), Kshs35,356,000 for training of personnel in my Ministry in the areas of financial management, procurement, contract negotiations, auditing, project planning and preparation of Kenya's least cost power development plan.

Mr. Deputy Speaker, Sir, on Head 429 - Headquarters, in recognition of benefits associated

with adaption of energy conservation measures, my Ministry has proposed to provide Kshs20 million as a contribution to industrial energy audit hitherto being undertaken by manufacturing companies in collaboration with the Kenya Association of Manufacturers (KAM). This audit will help to identify areas of excessive energy consumption requiring remedial measures in form of prudent housekeeping and limited investments. Bankable energy audit reports will be prepared for companies requiring credit facilities from the banking sector to invest in upgrading the quality of their energy systems in order to reduce energy-related operational costs.

In addition, my Ministry will spend a sum of Kshs5 million to undertake assessment and identification of new investment opportunities in the energy sector including costing of new rural electrification projects recommended for implementation by hon. Members through their respective District Development Committees (DDCs).

Mr. Deputy Speaker, Sir, on Head 430 - Wood Fuel Resource Development, my Ministry is requesting for Kshs12 million to facilitate on-farm agro-forestry based wood fuel supply and promotion of wider adaption of improved, efficient wood fuel *jikos*.

Mr. Deputy Speaker, Sir, on Head 433 - Alternative Energy Technology, my Ministry continues to pursue the promotion and dissemination of alternative energy sources and energy conservation. Towards this end, my Ministry is requesting for Kshs28 million to fund the following activities:

(i) installation of solar electricity generators in areas which are remote from the national grid, largely, ASAL areas where grid extension is not viable;

(ii) undertaking site investigations and data collection of wind energy potential in different parts of the country; and,

(iii) assessment of potential sites for exploitation of mini and micro hydro-power.

Mr. Deputy Speaker, Sir, on Head 435 - National Grid Systems, Kshs1,994,403,000 has been proposed to fund various activities in the electricity power sector. The bulk of these funds will largely be spent by KPLC for upgrading the power distribution system under the multi-donor funded energy sector recovery project. The sources of these funds will be as follows: (i) Jointly the World Bank, European Investment Bank, Nordic Development Fund and French Agency for Development will contribute Kshs1,520,757,000; KPLC will contribute Kshs469,636,000 as counterpart funds and Kshs4 million will be contributed by the Ministry of Energy also as counterpart funds.

Mr. Deputy Speaker, Sir, on Head 436 - Geothermal Resources Exploration, my Ministry has proposed to spend Kshs2,874,150,000 on the following activities: Ol Karia IV - 70 megawatts steam filled appraisal drainage - Kshs1.674 billion. KfW of Germany will provide Kshs940 million and the balance will be from internal sources. Geothermal services exploration in the Rift Valley including Bogoria areas will need another Kshs60 million and steam filled appraisal reservoir cumulation and engineering services including designs for construction of 35 megawatts generating units at Ol Karia II Geothermal Power Plant to raise its capacity to 105 megawatts at a cost of Kshs1,194,150,000 These funds will be provided by the World Bank and European Investment Bank.

Mr. Deputy Speaker, Sir, on Head 444 - Rural Electrification Programme, my Ministry proposes to spend Kshs2.602 billion out of which Kshs500 million is expected to come from the development partners as Appropriations-in-Aid (A-in-A) as follows:-

The European Union (EU), Kshs150 million for phase II of the coffee factories electrification project; AFT of France, Kshs200 million as part of its phase II funding; and FINIDA of Finland, Kshs150 million for upgrading the 1997 rural electrification masterplan. The balance of Kshs2,102,000,000 will be raised from internal sources and expended as follows:

Kshs1,340,000,000 for the construction of power lines; Kshs22 million for training of design engineers; Kshs736 million for financing operating losses of the rural electrification programme schemes; and Kshs4 million for monitoring and supervision of projects being constructed under the rural electrification programme.

Mr. Deputy Speaker, Sir, I would like to make a critical observation on the allocation of the rural electrification programme funds by districts. While hon. Members have preferred allocation of funds by districts, this approach is likely to face operational challenges in situations where project costs are higher than the provided district allocations. Given this situation, perhaps, it would be necessary to make adjustments where the funding provided for each district is too little to implement ear-marked projects. Unless this latitude is provided by the Ministry, some areas will remain unelectrified for many years. For example, the allocation for Kajiado District is only Kshs19,335,496 whereas my Ministry, under the last year's budget, is extending electricity to Namanga Town at a cost of Kshs89 million.

With regard to Head 426, National Oil Corporation of Kenya (NOCK), my Ministry is committed to intensify the search for oil and gas with the view to discovering commercial petroleum deposits and increasing LPG supply in the country. Pursuant to this commitment, my Ministry has proposed to spend Kshs194 million as follows: Kshs120 million for oil exploration and promotion of blocks where significant seismic data has been acquired to attract private sector investment; and Kshs74 million as part contribution towards the construction of LPG import handling facilities in partnership with the private sector.

Concerning Head 427; Petroleum and Coal Exploration, my Ministry has proposed to spend Kshs200 million as follows: Kshs75 million to undertake appraisal drilling for coal in Kitui District to determine commercial viability of this resource; Kshs20 million for coal exploration drilling in Lamu District; Kshs80 million for purchase of coal drilling reef; and Kshs25 million for petroleum promotion and monitoring of operations.

Mr. Deputy Speaker, Sir, the estimated Recurrent Expenditure for 2005/2006 is Kshs325,517,000. To support the foregoing activities my Ministry has proposed a Recurrent Expenditure of Kshs375,517,000.

Mr. Deputy Speaker, Sir, in conclusion, in aggregate, therefore, I am requesting for approval of a combined budget of Kshs8,386,026,000 comprising of Kshs8,060,509,000 for development and Kshs325,517,000 Recurrent Expenditure during this fiscal year.

With those remarks, I beg to move.

Mr. Deputy Speaker: Mr. Obwocha, are you the one seconding the Motion?

The Assistant Minister for Finance (Mr. Obwocha): Mr. Deputy Speaker, Sir, I beg to second the Vote for the Ministry of Energy. However, first and foremost, I would like to compliment the Minister for ably moving his Vote. This is a very important Ministry. Many Members of Parliament have been in the corridors of the Minister's office seeking his attention on the rural electrification programme.

The Ministry of Energy must look at the Kenya Power and Lighting Company (KPLC) keenly. The power blackouts that are common in many towns and which occur at specific hours of the night need to be addressed. For example, in Kisii Town, it is known that in the evening of every Monday there is always a power blackout. I do not know why KPLC has not addressed this matter. I am, therefore, requesting the Ministry of Energy to find out from KPLC whether the problem is as a result of insufficient vehicles required to attend to breakdowns or the kind of equipment that they have which has grown old. These breakdowns really have an effect on our industrial development since they affect production in our industries.

Mr. Deputy Speaker, Sir, as the Minister said, KPLC needs to look at consumer needs and

try to balance it out. One of the greatest problems that I believe we are experiencing, and especially after applying for power supply from KPLC, is the fact that they claim they do not have enough transformers. Why should acquiring transformers be a problem? Is it because of lack of money or poor planning? Now, KPLC needs, as the Minister said, to issue a statement concerning their procurement policy. What is the lead period, as we say in accounting, of the items that they have in stock? You must look ahead and predict, for instance, that if you use a certain number of X items, by the time it is a certain date you will need the same items again. Really that is something that needs to be checked.

With regard to donor funding, we are grateful to the French and Finland governments and the EU for whatever they are giving us. However, since we are expected to generate Kshs2.6 billion for rural electrification and our own Government is capable of raising Kshs2 billion, that means that our internal sources are more important. That is why we should zero in on internal sources and focus more on how the money can be distributed all over the country.

Mr. Deputy Speaker, Sir, I have said many times before that many of our areas which are in need of this programme are ignored. We are appealing to the Minister, those of us from constituencies which have not received any funding in the past, to consider us in the Rural Electrification Programme. Many of us who have served in the Public Accounts Committee (PAC) and the Public Investments Committee (PIC), including myself, know that a big chunk of the public debt is in the energy sector. I want to appeal to the Minister to indicate to the parastatals which are under his Ministry that they have an obligation to this country to pay their debts. The Exchequer should not be paying debts on their behalf, year in, year out. If they cannot pay, the Ministry should move in very fast and change their managements. In this era, we should not support parastatals that depend on the Exchequer everyday, every month and every year. We need the Minister to look into the issue of parastatals under his Ministry that do not generate any money and cannot pay their part of public debt.

Mr. Deputy Speaker, Sir, I want to compliment the Minister for what his Ministry is doing in terms of search for oil and gas, and the expansion of the Liquefied Petroleum Gas (LPG) use. The call for exploration of the same in Kitui District should be looked into.

Finally, I want to support this Vote. This is an important Ministry and we need to give it all the support it needs. Most of its resources that are available should be distributed evenly in the country.

With those few remarks, I beg to second.

(Question proposed)

Mr. Deputy Speaker: Mr. Kipchumba is the official responder from the Opposition Side.

Mr. Kipchumba: Thank you, Mr. Deputy Speaker, Sir. I want to give my comments on this important Vote. This Ministry has been underfunded for many years, and it is time we refocused our energies to ensure that it produces energy which is efficient, affordable and equitable to all Kenyans. Quite some money, Kshs2.5 billion, has been allocated for rural electrification. However, this money must be allocated equitably in the country. The Minister talked about allocation of money to districts. We do not want money to go to districts. We want money to go to constituencies. The focus now, as hon. Members know, is on everything, which must be shared going to constituencies. We have tried the idea of allocation of resources at the district level in the past but it did not work. It would be better if I was given Kshs2 million and added it up with the Constituency Development Fund (CDF) to ensure that part of my constituency benefits, as opposed to money being distributed from the district level and not reaching some constituencies. This would

mean that some constituencies would benefit, yet others would not, although all Kenyans contribute towards rural electrification. I think it is important for us to note that in terms of rural electrification, every Kenyan who consumes electricity pays that money. It is a fund that is not contributed by the Government but by every Kenyan who pays for electricity. Therefore, it is important that money which has been contributed by Kenyans be shared among all Kenyans. This is a sacrifice they make. They pay extra money so that their brothers and sisters elsewhere can get electricity.

Companies that deal with generation of electric energy are some of the richest in the world. It is surprising that in Kenya, most of them are crippled and on the verge of collapse. The most notable of them all is the Kenya Power and Lighting Company (KPLC). It does not make sense when the KPLC collects money promptly, on a monthly basis and, yet it cannot sustain itself. Every Kenyan knows that KPLC has been funded by Kenyans for very many years. In fact, were it not for KenGen that had to forego the money that was owed to it, KPLC would have collapsed by now. We cannot, every year, convert debt into equity. There will be a point where that will not be possible. If we do that, it will mean that we are moving back into having a monopoly. The debt that was owed by KPLC to KenGen was recently converted into equity. If that same situation continues in the next two years, then KPLC will be owned by KenGen and by extension, the Government. We are moving into having another monopoly, yet the reason why the two companies were separated was to have each of them deal with its own matters. I understand why that was done. We had to ensure that we had an efficient power distribution network throughout the country. We could not have allowed the KPLC to collapse. However, that must stop.

In terms of exploration, Kshs200 million is not enough. We cannot invest Kshs200 million hoping that in the near future, we will strike an energy source. That is not possible. We must commit ourselves to investing more money in this venture. The Petroleum Exploration and Substitution fund was initially meant to be used for exploration. However, if you look at it, you will find that the money collected under that fund is used for all sorts of things, including for the Recurrent Expenditure. That fund, as the term suggests, is meant for development. Therefore, the funds were initially meant to fund and invest in exploration so that we do not depend on donors and the Government. We were supposed to get funds from people who purchase petroleum. I think the Ministry should redirect that money so that it can go to its rightful use. That should be done fast.

We now know that KenGen will divest soon. I urge the Minister to ensure that majority of its shares are given to Kenyans. We have realised that Kenyans have the capacity to raise funds locally. We have seen this with Uchumi, the Kenya Commercial Bank (KCB) and many other parastatals, whose shares have been sold. In all these companies, their shares have been overly subscribed. We have heard the success story of Mumias Sugar Company and the Kenya Airways. There is no point of seeking foreign investors. Kenyans have the capacity, ability and are willing to invest in some of these ventures. Indeed, rightly so, they must be given a share of KenGen because they had invested a lot of money in the company. We have sacrificed and paid a lot of money to it. Probably, 50 per cent of the KenGen shares should be reserved for Kenyans. The rest of the shares should be distributed to the Government and the rest to other investors all over the world.

Last year, we witnessed the KPLC running out of poles for rural electrification. There is no good reason why Kenya cannot supply enough poles to the company, instead of importing them from South Africa at very expensive prices. I do not understand why the commodity cannot be sourced locally. That could easily be an indication of corruption. Why would we want to import poles when Kenyans do not have anywhere to sell their poles? It is time we investigated and found out what is happening. If the KPLC cannot plan properly so that they can make orders in time, that is an internal management problem. It is not as a result of shortage of poles in this country. The world is laughing at us because we cannot even produce poles yet all that is required is for Kenyans

to grow trees. We are aware now that there are trees that last for only four to five years. These trees can be grown by Kenyans and sold locally so that we do not spend the little foreign exchange that we have importing what we can produce. I would like to request the Minister to take this issue seriously because it does not make sense.

Mr. Deputy Speaker, Sir, the cost of electricity has gone up by between 50 percent to 30 percent. If hon. Members look at their electricity bills for the last few months, they will note that the cost of electricity has gone up. We have been told that fuel costs have increased. We would like to urge the KPLC and KENGEN to invest more in the use of hydro resources which are cheaper and clean. Water can be re-used for other purposes.

I know there is inadequate rainfall in this country, but we should focus our energies in ensuring that this country gets adequate rainfall so that we do not over-utilise fuel because we have no control over the price of fuel. The price of fuel is controlled by other people. We are helpless when it comes to oil prices. Therefore, our only option would be to invest in hydro-electricity. The cost of fuel has gone up and this is reflected in our electricity bills. Kenyans are crying. They are saying that electricity bills must be reduced. How do we reduce the bills if we have to use fuel in the production of electricity?

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, I want to urge the Minister that more energy should be spent on researching on ways of expanding the use of hydro resources. That is the cheapest source of power all over the world.

In line with that, I want to urge that the KPLC also introduces a policy on compensation. We know that when there are power outages equipment are destroyed and yet we have no recourse. You cannot complain to anybody because the policy of the KPLC is such that they cannot compensate. When you do not pay your bill the KPLC comes and disconnects the power. When they destroy your equipment out of their own negligence and inability to produce continuous power, they cannot compensate you for damage to your equipment. I think that must be looked into so that Kenyans can have confidence in the company that supplies them with power.

Mr. Temporary Deputy Speaker, Sir, solar energy is one of the cheapest sources of energy in the world. Kenya has some sun shine for 12 months in a year. There is no reason why we cannot encourage Kenyans, especially those in dry and semi-arid regions to make use of solar energy. The Government should start a fund just like the Rural Electrification Fund which should be used to fund remote areas where it is very costly to supply electricity. That will not cost a lot of money. If we can put aside Kshs500 million every year people in these areas will have got adequate equipment in the next few years and yet they will be paying very little in the maintenance of the same.

Mr. Temporary Deputy Speaker, Sir, I have brought a Motion in this House to the effect that in the future any money meant for rural electrification must be shared equitably. I am not saying that we should give every constituency Kshs3 million. I am saying that at least every constituency should receive a certain amount of money depending on the availability of power within that region. If there is no electricity within an area it will not make sense to even give them Kshs2 million. We would like this money to be shared equitably in areas which already have electricity.

Transformers should be subsidised. The easiest way to ensure that Kenyans get power is to

ensure that transformers are subsidised. I am not sure whether duty is still imposed on transformers. If there is any duty, I would like to request the Minister that, that be removed so that Kenyans can afford to buy transformers as they can easily get back their investment on the same. Once you buy a transformer at Kshs200,000 over a long period of time you can get back your money by levying a certain percentage on the same.

I would like to appreciate the Customer Creation Programme. This is a very noble idea. I would like to commend the Ministry because that is the only programme that I see succeeding because the Government pays 50 per cent of customer creation cost. I wish that percentage could be increased because the biggest problem we have with the KPLC is lack of adequate designers. Right now many people would like to be connected to power on this Customer Creation Programme, but the KPLC will take forever to give you a design and the actual cost because they do not have adequate manpower.

Given that there are so many Kenyans who have been trained in this field, we would like to suggest that this be done on contract basis. That will not cost us a lot of money because some people have waited for very many days so that they can pay. Members of Parliament are quite willing to assist in terms of using the CDF funds to subsidise some of those requirements.

Mr. Temporary Deputy Speaker, Sir, last year a lot of money was budgeted for rural electrification but how many constituencies received those funds? Probably a few. Every constituency was to be given between Kshs9 million and Kshs11 million. If you ask Members of Parliament, they will tell you that they never saw those funds. There is no point in us budgeting, but when it comes to implementation, there is nothing in the field. If you tell me today that we will get Kshs11 million in Uasin Gishu and at the end of the year we get nothing; where does that money go to? It is high time that we converted our budgeting instruments to reality. I hope that this year the funds that have been budgeted for rural electrification will be made available.

Mr. Temporary Deputy Speaker, Sir, if the role of the Electricity Regulatory Board (ERB) is just to regulate the price of electricity in this country, then this is quite surprising. Currently, markets all over the world have been liberalised. In the case of electricity supply in this country, our focus should be pegged on creating more power distribution companies so that this area is competitive. If we remove the monopolistic environment, which is currently being enjoyed by the Kenya Power and Lighting Company (KPLC), the role of the ERB might not be necessary. Wherever there is competition, companies will compete against each other and ultimately the right price will be established. Currently, the cost of power has sky-rocketed and one is left to wonder what role this regulatory company is playing. Probably there is no role they are playing. Maybe they were not even consulted when these prices were hiked. If they were consulted, what were their objections to the price hikes? We should not just create companies for the sake of having them. If the ERB is not giving the citizens of this country any value in this area and yet millions of Shillings are budgeted for it every year, the ERB should just be closed down so that, that money is used for the Rural Electrification Programme (REP).

Mr. Temporary Deputy Speaker, Sir, it is quite unfortunate that the prices of petroleum products have sky-rocketed. Initially, Kenyans complained because of these price hikes, but they realized nothing much was happening. The Minister for Energy also echoed his complaints, but he also realised he was helpless because there was very little left for him to do in a liberalised market economy. I really sympathise with him because once a market is open to the forces of supply and demand, all one can do is to request the key players to assist. During the Gulf War in 1992, Kenya is the only country in East Africa that never experienced changes in the prices of petroleum products. In fact, petroleum prices in Uganda and Tanzania were adjusted upwards weekly. Perhaps my colleagues could peruse past records to confirm this. The prices of petroleum products in this

country were almost stable because the Government moved in and stabilised them. The National Oil Corporation of Kenya (NOCK) at that time was allowed to import crude oil at subsidized rates and subsequently they were compensated by the Government. That helped stabilise the prices of petroleum products. This makes a lot sense because the import bill on petroleum products is quite high. The prices of petroleum products have other effects on the economy. If the prices are very high, this causes inflation because almost every aspect of this country is affected. To avoid this kind of situation, and to safe-guard Kenyans, I know it is very costly to subsidize the cost of petroleum products, but the Government should not look helpless when it comes to ensuring that we have a stable economy. If we cannot predict the prices of our commodities and inflation sets in, then we will have a weak economy which cannot sustain itself. Therefore, instead of this Government remaining helpless, I would like to request the Minister to see to it that a study is conducted to look into this issue. Instead of us being charged, for example, Kshs25 per litre on petrol, when the prices are very high, that price can be looked into so that it is brought down probably by Kshs10. On the other hand, if the prices fall, then the Government can adjust them upwards so that there is stability in prices. The Government should come up with a formula that can help us sustain prices so that they do not have very negative effects on the economy. At the moment, we may think the Government is not collecting a lot of money through taxation and other levies. However, the Government is collecting a lot of money from other sources. We know that if prices are stable, then tax can be collected from other commodities. The rise of petrol from Kshs54 to Kshs76 is too much. This is a rise in expenditure on pockets which have not seen an increase in terms of income. In fact, the salaries of most Kenyans have remained constant and, therefore, it is quite a task for them.

Mr. Temporary Deputy Speaker, Sir, the problem of oil companies paying in advance 100 per cent tax on the quantity of oil imported has been partly solved. I know the Minister is focusing on some of these measures to control dumping. Two months ago, a study was conducted to look into the issue of dumping and only one per cent of petroleum products had been dumped in this country. This is really a negligible figure. This does not warrant the current high prices of petroleum products. So, I would like to request the Minister to look at the issue of advance payments afresh.

Mr. Temporary Deputy Speaker, Sir, on the Kenya Petroleum Refineries (KPR) we are all aware that the KPR is one of the oldest refineries in the world in terms of technological advancement. With the high prices of petroleum products, one would expect that the KPR would be making more money because the cost of refining would be high. Unfortunately, this refinery produces obsolete products; those with a lot of lead. In fact, some of these products have been banned worldwide. I would like to request the Minister not to give the KPR a waiver. This refinery has been given a waiver since 1980. They have always produced sub-standard products. Those products are very harmful to our children and Kenyans at large. Lead has been proven to be harmful to human beings. Sulphur, another element, which is acceptable in the world at only 0.1 per cent, is contained in some products here up to 0.5 per cent, which is quite high. Therefore, if the KPR cannot meet the standards of production, it should be shut down. Kenyans spend Kshs3 billion subsidizing this refinery. That amount does not warrant us to continue sustaining it because it does not pay in the long-run. We know there are jobs to take care of, but what is the long-term cost in terms of the health of Kenyans? Probably, we are spending a lot of money treating ailing Kenyans and cleaning our environment. I suggest that a serious study be conducted to look into the effects of this refinery. We had said that if the KPR cannot produce unleaded products by January, 2006, it should be closed down. I hope the Minister will be firm on this issue. The KPR should know that the waiver they have received over the years at the expense of the common man is now over.

Mr. Temporary Deputy Speaker, Sir, on the issue of Liquefied Petroleum Gas (LPG), the KPR has always given the excuse of being the only company that meets the extra LPG that is

required in this country. We should have other players in this field. The private sector is willing to put in money so that the extra LPG that is required in this country can be imported directly. That has been done by certain companies for the last two years. At that time, the LPG that was at the refinery could not even be bought. That refinery can be converted into a storage facility. That way, it will not go to waste. The Government has 50 per cent shareholding in that refinery. I noticed recently that the Government wants to invest billions of shillings in that refinery. That means that the Government will again invest billions of shillings in that refinery, and--- are not sure how long that investment will take to register good returns.

Mr. Temporary Deputy Speaker, Sir, let me conclude my contribution by saying that the KPLC must refund Kenyans the money which they collected through the REP. I understand that money was paid by Kenyans some 10 years ago. They are not even willing to refund that money. Since they have not provided those services, they should just refund that money. It does not make sense for KPLC to continue holding the money and using it for their own benefit and finally telling people they cannot pay back. Even hon. Members have asked Questions in this House with regard to that money, but they are asked to follow up this issue with the KPLC. The Minister should quickly issue an order to the KPLC to refund the money that is being held because they have failed to supply electricity to the people concerned. This kind of behaviour gives a bad name to the Government and the KPLC because it is termed as an unreliable company. Probably Kenyans do not understand that, that was just 10 per cent, they are yet to pay the balance. The value of that money has gone down. Therefore, the Minister, probably tomorrow, should order KPLC to pay up that money to Kenyans. Other Kenyans have power in their homes through other channels. Therefore, they do not require that service any more.

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

The Assistant Minister for Foreign Affairs (Mr. Wetangula): Mr. Temporary Deputy Speaker, Sir, thank you for giving me this opportunity to support this Vote. Energy is the engine for growth in any economy. Without adequate affordable energy, the economy will not grow. I will start from where Mr. Kipchumba has left; Kenya Power and Lighting Company (KPLC). That point was also mentioned by Mr. Obwocha when he was seconding the Motion. In this budget, the hard-working Minister for Energy, who is also doing a good job in the Ministry, has allocated a whopping Kshs2 billion to KPLC. KPLC is a monopoly. It has no competition. It has been existing as long as we can remember. It ought to be making profits and ploughing that money back into the economy. Why should we take money from the Exchequer or from loans and pump it into KPLC and yet, it enjoys a phenomenal monopoly in the country? The cost of their product is quite prohibitive. I think that the Minister should, when he responds, assure this House that, this is the very last year this Parliament will be requested to take money from taxpayers and give to KPLC. That is because KPLC can be self-sustaining. It can be able to invest money in extra-generation and production of energy in the country, so that the economy can grow.

Mr. Temporary Deputy Speaker, Sir, as we are putting Kshs2 billion into the KPLC, we must remember that Kenya still spots one of the most expensive electricity in the Continent. That is not good for economic growth. It is also not good for non-economic activities that require energy for survival.

Mr. Temporary Deputy Speaker, Sir, I would like to urge the Ministry, when we allocate it money next year, to focus on information technology. It is a necessary requirement in education. It should have a deliberate programme and set targets. For example, it should say: "In the next five years, we must have electricity in, at least, every secondary school and tertiary institution in this country." That is the only way we can be able to prepare our children for the job market. Not all of them can complete Form IV and go to the university or polytechnics. They can complete Form IV

while equipped with computer knowledge and get on to the job market and learn a few things. Schools that are equipped with electricity can also teach self-supporting subjects to our children. I have in mind mechanical works and so on.

Mr. Temporary Deputy Speaker, Sir, where grid power is not available, the Minister said that solar power can be used for purposes of providing energy to schools. Even our children who go to universities outside Kenya must be up to date. Some universities do not have lecturers who come to lecture halls with chalk to teach. Everything is online. Therefore, students who go out there spend the first one year acquainting themselves with information technology, before they start studying the courses of their choice. That is something that we can prepare our children for, through planning and execution of proper energy use.

Mr. Temporary Deputy Speaker, Sir, we have enormous reserves of geo-thermal power in this country. Our capacity can go up to 2,400 to 2,800 megawatts of geo-thermal power. It is clean, renewable and cheap. The capacity of installation and investment is a one-off! The rest will be petty maintenance and repairs. I am sure that, if we sacrifice and put more money in geo-thermal power, the Kshs2 billion that is going to underwrite the inefficiency in KPLC could have developed more geo-thermal boreholes in Rift Valley; around Lake Naivasha and Lake Baringo. We could get a lot more cheaper and renewable energy for our economy. I urge the Minister to look at the greater development of geo-thermal power.

Mr. Temporary Deputy Speaker, Sir, equally, we have enormous resources of natural gas that has been discovered in Southern Tanzania. The Tanzanians have always been willing to partner with Kenya in developing and exploiting those resources. The Ministry of Energy should engage Tanzania into seeing how we could extend the pipeline from Songo Songo in Southern Tanzania to Mombasa, where we could generate power! We could even invest in Tanzania itself and generate power there, together with the Tanzanians, and bring that power to Kenya at a much cheaper rate than what we are getting.

Mr. Temporary Deputy Speaker, Sir, we all know the problems that we have with Tana River, after the destruction of water catchment areas of Aberdares and Mt. Kenya. Tana River can no longer sustain the plants that are there. It is almost a seasonal river. We must now think about the best direction to go to get cheaper power.

We have the National Oil Corporation of Kenya (NOCK) which, when it was set up, was meant not to compete with the "majors" as they call them, but to be a cushion for the Government for its people. That corporation should, by now, be able to bring in oil products. It should not necessarily be crude oil for refining, but finished products from Middle East at a lot cheaper rates than what the big companies are bringing. Those companies are profit driven. But NOCK, being a state corporation, can forego a portion of profits to support Kenyans, particularly in the critical components of our economy like farming. They can bring diesel from the refineries in the Middle East and sell to farmers at a lot cheaper price than what we are buying it from Total, Shell and others. That will go a long way in helping our food production.

We also have large deposits of coal in this country. They are in Kitui. I am happy that money has been set aside to look into ways of exploiting those resources. In South Africa, one coal mine generates 2,650 megawatts of power. If the Kitui deposits are that large, then we can easily have that kind of power generated on site with very little expenditure. We can then release that power for purposes of running our economy.

Mr. Temporary Deputy Speaker, Sir, exploration of oil is another thing that Kenyans have always invested a lot of hope into. Countries that are a lot poorer than Kenya like Mauritania, Chad, Equatorial Guinea and Sudan have researched, explored and found oil. We believe that this country must also be having some oil. The terrain that is in Sudan is not different from what we have here.

How come that, for so many years, we have been given glimpses of hope that oil has been found, but nothing has been forthcoming? Is it because we are not investing sufficient resources in research and test-drilling? Is it because those who are engaged in looking for oil in this country are not serious enough? There was a time, if you recall, when the former President displayed what he called oil to the University of Nairobi (UoN) fraternity and everybody said: "This is wonderful!" He said that it had been drilled in a rig in Lake Turkana. What happened to that oil? It is now almost ten years! We need to see that. Was it just a hoax? Was it meant to please Kenyans? Those are some of the things that we need to look into. If we have our own oil, our oil bill will go down. The economy will grow faster. We can even generate the electricity that we are talking about from that oil because it will be cheaper. The economy will grow.

Mr. Temporary Deputy Speaker, Sir, finally, I want to urge the Ministry of Energy to put a little more money in the exploitation of wind energy in the country.

With those few remarks, I beg to support.

Mr. Sasura: Mr. Temporary Deputy Speaker, Sir, certainly, energy is the backbone of the economy of this country. While I support this Motion, I would like to focus on a pertinent issue which is always a cause of concern to the Members of this House; the Rural Electrification Programme (REP).

Mr. Temporary Deputy Speaker, Sir, over the years, this is a programme that has failed. Despite its name, you wonder what percentage of the rural area of Kenya has benefitted from this programme. But we seem to ignore the causes of the failure of this programme. Every Kenyan in their monthly electricity bills pays about 5 per cent to this programme. But unfortunately, the Kenya Power and Lighting Company (KPLC) has been undertaking the Rural Electrification Programme (REP) on the basis of Government pronouncements. At the end of the month, the 5 per cent they collect, instead of submitting it to the Ministry to be used in this programme, KPLC pays itself. So, the Minister should come out clearly and tell us how much money is left for Kenyans to pay to KPLC so that we can start the programme afresh. They should not take us in circles.

Mr. Temporary Deputy Speaker, Sir, it is very clear that there is unequal allocation of this resource. Every time we ask Questions in this House, the answer given to us is that we have not prioritised it under the District Development Committee (DDC). In 2003, the Minister for Energy said that they had changed the system completely, and that a Ministerial Committee had been formed to over-see the changes. To date, that has not happened. In Marsabit alone, I do not remember a single REP project that has taken place. When we talk of DDC priorities, we are missing the point because DDCs are no longer there. However, we have done our own prioritisation long time ago. One such project is called Goro Afya Women's Project, just to give an example, which is still in the files of the Ministry of Energy but nothing has been done about it.

So, the Ministry should tell us how much money we should pay to KPLC. This company has done no mistake as such because they were given a job to do. But if the Ministry does not come out clearly, we will continue blaming the KPLC for not giving us power when actually it is the Ministry that is at fault. In 1999/2000 when we had a lot of power rationing in this country, the Government was supposed to pay KPLC about Kshs1.3 billion. So, we want to know how much is left now so that we can get electricity from our own money. The Minister should set up that Ministerial Committee to streamline this programme so that we have our allocation either per district or constituency.

Mr. Temporary Deputy Speaker, Sir, when we had the power rationing in 1999/2000, there was almost a crisis in this country, but it was only God who saved us. You remember all the factories were closed, we were getting power three times a week and employers had to lay off their workers. But because Kenyans love each other so much, workers had to work in shifts to avert the

crisis. That is because we have put all our eggs in one basket. More than 75 per cent of our power comes from hydro power generation, and about 3 per cent comes from Jinja, Uganda. I am sure we learnt our lessons.

That brings us to the question of diversifying our sources of power. Every time in this House, the successive Ministers of Energy have told us that they are doing a lot of exploration to exploit other sources of energy, but we are not seeing much. In Marsabit, we have one of the highest wind powers in Africa. If we tap energy from it and connect it to the national grid, we would inject about 60 per cent of the power needed in this country all the way from Marsabit. But because of the initial cost, we fear to go into such an important project. The Minister should give this matter serious consideration and inject as much as he can into that project so that we can save this country.

Mr. Temporary Deputy Speaker, Sir, the Department of Geology is very important in this Ministry. I remember some time back, the Minister for Energy went to Isiolo, Wajir and Marsabit and came back with samples of crude oil. It was announced all over the country by none other than the President that we had struck oil in Northern Kenya. But all of a sudden, that story fizzled out. It is time Kenyans changed course from working with companies that have conflicting interests in the exploration of oil in this country. Unless we are not being told the truth, there is no reason why there is petroleum in Southern Sudan and not in Northern Kenya. The geological formation must be similar.

When oil was being explored in Northern Kenya, I remember people rushed to Ardhi House to get title deeds for parts of Isiolo and Wajir because they knew we were going to strike oil there. But for some reason, that issue has died out. If Western oil companies are fighting, we should shift to the East and invite the Chinese or Malaysians to explore oil in this country, because they are the ones who can tell us the truth. We should borrow a leaf from the Sudan which to date, has 61 oil wells all struck by people from China. Seven years before that, the Western oil companies that did the exploration said there was no oil in Southern Sudan. That raises a lot of pertinent questions as to why we should not get our oil in Northern Kenya. We should not allow ourselves to be bulldozed by our donors sometimes, because we can become donors if we become bold.

Mr. Temporary Deputy Speaker, Sir, our borders are not the safest. We also know that our neighbours do not have very stable governments. We know that our Government is careful about that. They fear that if we strike important minerals, be they gold or petroleum, they fear the instability of our neighbours. I think the Government should look for ways of addressing this problem. We can even use the same resources to stabilise our neighbourhood.

Mr. Temporary Deputy Speaker, Sir, the Ministries of Energy and Finance have a question to answer. Every year, the Minister for Finance reads the Budget here, he reduces tariffs on this or that crude oil product. But this is not translated into the reduction of prices of those commodities. What is the need of such pronouncements?

With those remarks, I beg to support.

Mr. Khamasi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to the debate on this Vote. First of all, I would like to congratulate the Minister for Energy for the manner in which he has handled this Ministry since he took over. He has restored some sanity in the Ministry and we need to support him. He has deviated from what we have seen over the years and he looks at Kenya as a whole. I am saying this because since I became the Member of Parliament for Shinyalu Constituency, this is the first time the constituency is receiving some money for electrification.

However, the Minister's biggest problem is the Kenya Power and Lighting Company (KLPC). Until this is resolved, we will continue having problems in the Ministry. The KPLC, as hon. Wetangula has said, should not be a Government agency that goes to the Exchequer for

funding. There is no reason for the KPLC to do so, whatsoever. For a long time, the KPLC was a cash cow. It has been milked over the years and I think that it is dry. The Minister needs to look into what goes on at the KPLC.

Mr. Temporary Deputy Speaker, Sir, when the NARC Government took over, we thought that we had come to the end of favours being given to individuals to run parastatals; individuals who had no idea, whatsoever, about what goes on in those parastatals. Apparently, this has continued even under the NARC Government. This is a shame particularly because we promised Kenyans that we were going to make a change. The Minister, with his usual energy, should address this issue and bring to rest the issue of the KPLC taking quite a lot from the taxpayers and giving back very little.

With the introduction of the Constituencies Development Fund (CDF), electricity should be connected to all public institutions. This is not possible because the KPLC cannot just cope with the demand. I do not know why the Minister is doing nothing. He should know that there are some funds through the CDF, which should be utilised in providing electricity to our important institutions in this country. The KPLC has failed to cope with the demand. I am saying this out of experience. I have more than Kshs12 million lying in the account of the CDF, Shinyalu, which is supposed to be used to connect electricity to several institutions. The KPLC has failed to provide the estimates or the manpower to carry out the exercise. This is a shame. When I bring returns to the National CDF Committee, I will show a lot of funds lying in this account which should have been utilised by the KPLC. The KPLC must wake up. It must be shaken to live up to the expectations of Kenyans.

I want to talk about the oil industry. The Minister is sitting on a time bomb because Kenyans will rise up against what is going on in the oil industry. The perpetrators of the situation are the multinational companies. They have formed cartels and are taking the Government left, right and centre and fleecing the citizens of this country. Should the Government just watch? The Government has to protect its citizens. Oil prices have been going up day and night. There is a limit to what the citizens can swallow. The Minister must know that he will be responsible. He will have to tell Kenyans what he has done to arrest the situation. As soon as oil prices go up, automatically, the prices of everything else go up. It is important that if the cartels in the oil industry cannot play ball with the Government, we should not be ashamed to introduce laws to regulate the industry. We must protect Kenyans.

Mr. Temporary Deputy Speaker, Sir, let me talk about the allocation of funds to the Rural Electrification Programme. In the past, there has been no equity and the Minister should address that issue. As hon. Sasura has said, we were promised here in 2003 by the former Minister for Energy that he was going to change the system and from then on, districts were going to get a share of the funds. This has not happened to date. In fact, the system that was there is still in place. The rural electrification funding goes to where "who is who". This has to stop because all Kenyans are taxpayers. We should have an equitable method of allocating funds for rural electrification.

Lastly, let me talk about this country's dependency on hydro-power. This is dangerous. It is a matter which must be addressed. We all know that the forests from where the rivers were flowing have been destroyed. Trees have been cut down and very little water is now flowing from the forests. We should have an inter-Ministerial Committee to look at this issue between the Ministry of Energy and the Ministry of Environment and Natural Resources, if our long-term plan is to rely on hydro-electricity. As my friends have said, we must explore other sources of energy. This is not the first time we are saying this. We have said this repeatedly, but the Government has not taken this matter seriously. We need to invest more into geothermal, wind and solar source of power. Through this, we will be able to tackle the problems which we are likely to face during drought, the rivers are not flowing and hydro-power is not forthcoming. It is important that we explore other sources of

energy to support what is already there.

With those few remarks, I beg to support.

Mr. Ojaamong: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to the Vote of the Ministry of Energy.

First of all, I would like to thank the Ministry for initiating several projects in Teso District and Amagoro Constituency in particular. Some projects have also been funded by the Spanish and French governments and the others have been funded by the Government of Kenya. However, it has taken long to implement those projects. That is why I would like to join the previous speakers to inform the Minister that his greatest enemy in this Republic is the Kenya Power and Lighting Company (KPLC). These people work haphazardly. They do not give a timeframe within which the projects are supposed to be implemented. They are also not transparent. If only the Minister would be having regular and constant communication with the KPLC, or if only he could take his time to go round the country and find out how many projects the KPLC has started and left unfinished, he would be amazed. I have smaller projects that the KPLC is implementing in my constituency. There is Sinya Market, Amairo, Machakuus, Ratama Complex and Katakwa. These projects were approved last year. I was assured by Government officers that they have been paid for by the Government. If there is any balance, it is very little. How does it take over 12 months before they are implemented even if the KPLC is importing equipment from Japan or other countries? Does it take this long for a transformer to be bought from Japan and be brought to Kenya? It is 12 months! It is very unfortunate unless this is just a delaying tactic by the KPLC. I know that the Ministry officials work efficiently. However, the problem is with the KPLC. If you call the Nairobi office, they take you to the Nakuru office while the Nakuru office will take you to the Kisumu office. The Kisumu office will refer you to Kakamega office. From there, you will be again referred to Bungoma office. This is the problem we have in Western Kenya as far as implementation of these projects is concerned.

Mr. Temporary Deputy Speaker, Sir, when the rural electrification programme was launched in Western Province, it was a high profile function that was started by the Vice-President and Minister for Home Affairs, but nothing in particular has happened so far. There is only one transformer in my constituency, in a small shopping centre, worth Kshs800,000. That is the only thing that has happened. The Vice-President and Minister for Home Affairs launched this programme a long time ago. The Minister should, therefore, move with speed even if it means sacrificing some of the KPLC officials who are sabotaging our work. Kenyans want power for various purposes.

On the issue of power blackout, time and again I have brought this issue here, especially in my constituency. The biggest towns there are Busia and Malaba. Power blackout or outages have become the order of the day. If you go to any small hotel, you will find a standby generator because they are used to blackout. Schools rarely get electricity for more than two hours for almost the three years that I have been complaining. The reason that was given was that the line from Kisumu to Busia and Malaba is very long. So, it was being upgraded from the Bungoma side but to date, nothing has happened! Power blackout is frequent in Busia to the point that we become ashamed. If you cross to the Uganda side in the evening, we do not experience any blackout. There is electricity there almost throughout the year. Why are we experiencing power blackout in our country? The Ministry should move with speed and end this continuous power outages. When I asked a Question early this year, I was assured that they were going to upgrade the line that serves Malaba, Alupe, Busia up to Funyula, where the Vice-President and Minister for Home Affairs comes from. This will ensure that we have regular supply of electricity to our business, health and learning institutions so that people can lead comfortable lives.

Mr. Temporary Deputy Speaker, Sir, in this year's Budget, the Minister has allocated some money for the environment so that we can get wood fuel. Most of our rural people depend on wood as a source of fuel and they are almost depleting the environment. This wood is being transformed into a source of energy. There is no initiative on the ground to show that the Ministry of Energy is injecting some money towards afforestation, especially for species of trees that grow fast. Our soils are being eroded because the forests have been depleted. I would also plead that if this money that we have allocated for wood fuel is available, it should be spread across the country so that every constituency can benefit. We have identified areas that need such support. We can also use the Department of Forestry in the Ministry of Environment and Natural Resources to identify species of trees that grow fast so that people can harvest wood fuel. This will help us to conserve and protect our environment.

Mr. Temporary Deputy Speaker, Sir, on the issue of the Kenya Pipeline Company (KPC), when Mr. Raila was the Minister for Energy, he used to say that the line from Eldoret would be extended to Kisumu and Malaba. I frequently pass through those areas, and none of these projects has been initiated. What happened with that proposal? Driving from Eldoret, where this pipeline is, to Malaba is a very risky exercise for us who use small cars because of trailers. If this pipeline could be extended to the border points, some of us would be able to reach home faster instead of trailing behind trailers at a speed of 10 kilometres per hour. It takes us even a whole day to reach Western Kenya. I would, therefore, request the Minister to move with speed to provide energy for Kenyans.

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

The Assistant Minister for Trade and Industry (Mr. Syongo): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the chance to support this Motion. I would like to start by commending the Minister for Energy for ably moving this Motion.

Secondly, I want to commend him and the entire Ministry for taking the initiative to bring the key parastatals within the Ministry back to profitability. Just last week, many of us were impressed to see that the KPLC is beginning to reverse the losses that they had been making for many years. I believe that this is so because the environment that has been created by the Minister and his team at the Ministry is providing the necessary signals to the parastatals. It is also delighting that KenGen will be offering their initial shares through the Capital Markets Authority and Kenyans will soon be getting a chance to buy stakes in this corporation. In the process, the corporation will also get more capital to invest in generation of electric energy.

Mr. Temporary Deputy Speaker, Sir, I also want to request that, as a matter of policy, priority should be given to Kenyan investors instead of rushing to foreign investors. We have seen that in recent offers through the stock market, many times there is over-subscriptions of shares. This means that Kenyans themselves have the capacity to absorb any additional offers in the stock market. We should, therefore, be reluctant to give without any reason priority to foreign investors. I also hope that the Kenya Pipeline Corporation will also follow suit, so that Kenyans not only enjoy the services that these corporations are offering, but are also able to have a stake in those institutions, the assets and the profitability that they offer.

Mr. Temporary Deputy Speaker, Sir, the confidence that the Minister and his team have exhibited to the extent that we now have the French and the Spanish development partners coming on board, in order to help finance the extension of electricity supply to rural areas, is most commendable. The sensitivity with which this programme is being designed, for the very first time, districts such as Suba District, which was completely neglected for the last 40 years, have a chance of being brought on board.

I would like to inform the Minister, that he will be amazed at the additional value that this initiative, when completed, will add to the GDP of this country through installation of cold storage

facilities along the fish landing beaches in Suba District, which, as you know, account for nearly 78 per cent of the total amount of fish that is exported out of this country. This will also give a chance to the many youths, who, up to now have not had a chance to be part and parcel of the small and micro enterprises, commonly known as the *Jua Kali* sector. In those marginal districts, the concept of small and micro enterprises is but a conceptual idea that they read about in the newspapers, simply because they have not had access to electricity.

Mr. Temporary Deputy Speaker, Sir, I would like to commend the Minister. I have heard him talk about the kind of money he is going to spend to start test-drilling for coal in Kitui. If I got him right, he has suggested that there will be a similar exercise in Lamu. That is really commendable. I would just want to suggest, that apart from physical drilling, there is now a sophisticated technology through which we can assess the amount of coal and subterranean deposits of minerals without necessarily doing physical drilling. I would encourage him to look at that possibility. Through our Ministry, we are in touch with several such people who are very keen to offer such services. So, we should look at the possibility of using that technology, because it is faster and sometimes tends to be more accurate than physical drilling, which is more specific to particular locations.

Mr. Temporary Deputy Speaker, Sir, the plans that were announced a few weeks ago to increase the amount of electricity generated through various programmes, including third party generators, is most commendable. One of the greatest problems we have in terms of making our goods and our companies competitive, in an increasingly competitive environment, is the cost of energy. In COMESA and elsewhere, we cannot compete effectively because of the cost of energy. That is an issue that should be addressed not only in terms of increasing the quantity of electricity available to our industrialists who are already operating as well as those who are planning to invest, but also in terms of reducing the cost per unit of electric energy in this country.

Today, I was just looking at the cost of Egyptian cement already landed in Nairobi or landed in Mombasa, and I realised that it is less than a half of the cost of one bag of cement produced in Kenya. It is untenable. If we are to develop this country, or industrialise, we must make electricity available, but that electricity must also be affordable. That is the challenge I would like to ask the Minister and his team to address themselves to.

Mr. Temporary Deputy Speaker, Sir, in December, we will be going to the WTO talks and as you might have read in the newspapers, we are already engaging the European Union in terms of the economic partnership agreements; bilateral trade agreements between the ACP countries and the European Union. Through the principle of reciprocity, if they give us access to their markets unconditionally, then we must also open up our markets to their goods. Unless we can do something about the cost of doing business in this country and reducing the cost of energy, we will expose our industries and, therefore, the employment opportunities for our youth to the vagaries of liberalised economic and trading regime. That is something which should worry us.

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

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

Mr. Temporary Deputy Speaker, Sir, the Minister is aware that Tanzania recently discovered very substantial quantities of gas. So, even as the Government brings in partners to extend electricity supply and develop the storage handling facility for LPG, may I encourage the

Ministry to look at the possibility and viability of connecting Kenya to the source of cheap gas in Tanzania. Likewise, I would like to encourage the Ministry to consider very seriously the possibility of tapping into the Sudanese oil, so that we do not just rely on one particular source but have several multi-source arrangements. That is the surest way for us to make more energy available and affordable.

Mr. Temporary Deputy Speaker, Sir, I would like to express my confidence, that in spite of the difficulties that we are experiencing with the Kenya Power and Lighting Company, I would like to suggest that, from available evidence and especially considering where the company has come from, the management of Kenya Power and Lighting Company is doing a good job. Unfortunately, we forget too quickly and tend to only see the bad things. When our officers perform, we should commend them instead of condemning them all the time.

The fact that we are seeing a turn-around to profitability at the Kenya Power and Lighting Company, is in itself an indication that something is good. Dilapidated infrastructure, and very expensive and old transformers are issues that we must accept and urge the Ministry to create an enabling environment even if it means inviting investors, both local and foreign, to invest in the production or, at least, the assembling of transformers in order to make them affordable and available in plenty.

With those remarks, I beg to support.

Mr. Khamisi: Ahsante, Bw. Naibu Spika wa Muda, kwa kunipa nafasi hii ili niichangie Hoja hii ambayo ninaiunga mkono.

Bw. Naibu Spika wa Muda, ningependa kujibu baadhi ya mambo yaliyotajwa kuhusu kiwanda cha kusafishia mafuta cha Changamwe. Ni kweli kwamba kwa muda mrefu, mazungumzo yamekuwa yakiendelea kuhusu kiwanda hicho. Maswali yameulizwa iwapo kiwanda hicho kiendeleo kufanya kazi au kifungwe kwa sababu ya kutokuwa na uwezo wa kusafisha mafuta yanayofaa kwa matumizi ya magari.

Maoni yangu ni kwamba, ingawa ipo athari ya mafuta yanayosafishwa katika kiwanda hicho kueneza madini ya *lead* na *sulphur*, kama tulivyoambiwa, Serikali inaweza kufanya iwezavyo kukijenga upya kiwanda hicho na kukiwezesha kufanya kazi kwa njia ya usafi, ambayo italeti faida kwa kampuni hiyo pamoja na nchi hii. Ninasema hivyo kwa sababu, iwapo tunafikiria juu ya kukifunga kiwanda hicho, basi ni kusema kwamba tunafikiria juu ya kuwafuta watu kazi. Kama mnavyojua, katika miaka mitano au sita iliyopita katika sehemu ya pwani, kiwanda kimoja baada ya kingine kimekuwa kikifungwa. Kuna karibu viwanda saba katika eneo la pwani ambavyo vimefungwa katika muda huu. Tukikifunga kiwanda cha kusafishia mafuta kule pwani kwa sababu zilizoelzwa hapa, tutakuwa tunazidi kuunyanyasa na kuudidimiza uchumi katika sehemu ya pwani.

Kwa hivyo, Serikali inawajibika kama mwanahisa mkubwa wa kampuni ile kuhakikisha kwamba inajengwa kwa njia ambayo itakuwa na manufaa kwa watu wake na nchi hii. Serikali hii pia inawajibika kuhakikisha kwamba wananchi wanapata ajira wala si kuwafuta watu kazi. Kupata ajira ni kwamba wananchi wana nafasi ya kuweza kuchangia uchumi wa nchi yao. Ningependa kutilia mkazo mkubwa Hoja hii kwa sababu tunajua kulingana na takwimu ambazo zimetolewa, kwamba kampuni hii ina hasara kubwa. Hii ni kwa sababu tumeiacha kuchakaa hadi ikafikia hali hii. Tungekuwa na nafasi ya kuweza kuiboresha wakati ule, nafikiri wakati huu hakungekuwa na haja ya kuzungumzia kuhusu kufungwa kwake.

Bw. Naibu Spika wa Muda, ningependa pia kuzungumza juu ya mpango wa kutoa au kueneza huduma za umeme katika sehemu za mashambani. Ningependa kuwaunga mkono Wabunge walionena mbeleni kwamba huduma hii imelemea sehemu fulani. Katika Mkoa wa Pwani hatujaona uzito wa mpango huu hasa sehemu yangu ya uwakilishi Bungeni. Hatujafaidika kutokana na mpango huu wa usambazaji wa umeme. Basi, shule zetu zote hazina umeme. Kwa hivyo,

hatuwezi kupeleka tarakilishi kule yakuweza kuboresha hali ya elimu katika sehemu hiyo. Vile vile, hatuwezi kuboresha huduma ya afya katika zahanati zetu kwa sababu ya ukosefu wa umeme. Inawalazimu wauguzi wafanye kazi mchana pekee, lakini iwapo kuna dharura wakati wa usiku basi haiwezekani kutoa huduma. Ningependa kuiomba Serikali iwapo inatasambaza umeme katika sehemu za mashambani, iweze kufanya hivyo kwa njia ya usawa. Mara nyingi tumehimizwa na Serikali kwamba ni lazima tupeleke mapendekezo yetu kwa Kamati za Maendeleo Wilayani, yaani, District Development Committees (DDCs). Mimi nimepeleka mapendekezo yangu kwa Kamati hii kwa mwaka wa pili sasa, lakini hakuna jambo lolote ambalo limefanyika. Juzi nilipeleka mapendekezo ya miradi mitatu mingine na ninajua hakuna chochote kitakachofanyika. Kwa hivyo, ni muhimu kwamba katika mipango inayokuja sehemu ya Pwani, hasa katika eneo la Uwakilishi Bungeni la Bahari liweze kupewa kipao mbele.

Bw. Naibu Spika wa Muda, tukiangazia uchimbaji wa mafuta, mipango hii ambayo imekuwa ikitangazwa kwa miaka zaidi ya 40, kwamba mafuta yanachimbwa katika sehemu ya bahari ya Pwani imekuwa ni kama wimbo. Tunaambiwa kila siku lakini hatuoni. Mikataba inaandikwa na kutiwa sahihi na makampuni ya nchi za nje lakini hatuoni matokeo yake. Sasa tumeanza kuuliza kama hii ni hadaa tu ya Serikali ama inatuambia ukweli kuhusu mambo haya. Je, kama Serikali inatuambia ukweli, mbona haitoi ripoti za mara kwa mara kutueleza imefika wapi katika uchimbaji wa madini ya mafuta? Ni jambo la kusikitisha kwa sababu tunawatia matumaini watu wetu ilhali hatuwezi kuyatimiza sawa sawa. Ni wajibu wa Serikali kutupa taarifa katika Bunge hili na kutuambia imefika wapi kuhusu machimbo ya mafuta katika sehemu ya Pwani.

Bw. Naibu Spika wa Muda, tukizungumza kuhusu mambo hayo pia tunaweza kuzungumzia juu ya njama ambazo zimetajwa za makampuni makubwa ya mafuta kujiunga na kuathiri uchumi katika nchi hii kwa sababu ya bei zilizopanda za mafuta na bidhaa zingine. Nafikiri Serikali imeshindwa hivi sasa kukabili na majambazi hawa. Kwa sababu hiyo basi inaonekana kwamba makampuni haya yamekuwa na nguvu zaidi kuishinda Serikali katika kutawala na kumiliki sekta hii ya mafuta. Nafikiri ni wajibu wa Serikali hii kuweka mikakati na kuleta sheria zinazofaa kuweza kudidimisha na kumiliki makampuni haya ambayo yanaharibu uchumi wa nchi hii.

Jambo lingine ambalo ningependa kulizungumzia ni hali ya kukosa umeme wakati mwingine. Jambo hili lipo sana hata katika Jiji la Nairobi ambalo linasifiwa kuwa maarufu na moja ya miji mizuri zaidi katika Afrika. Mara kwa mara tunapokaa nyumbani mwetu hatujui kama kutakuwepo na umeme. Jambo la ajabu ni kwamba baadhi yetu ambao tunapenda kutazama taarifa za habari za saa moja au saa tatu, umeme unakatwa dakika tano kabla ya habari hizo. Kisha taarifa za habari zikimalizika umeme unarudi. Hili si jambo la uzushi bali ni kweli. Ningependa kumjulisha Waziri ambaye yuko hapa kwamba katika sehemu nyingi za mji huu wa Nairobi hasa kule Runda, umeme unakatika mara kwa mara. Kila siku tunapiga simu kuuliza ni kwa nini umeme umekatika. Mara kwa mara tunafikiria labda hatujaulipia. Kwa hivyo, hakuna hali njema ya kumiliki utoaji na uenezaji wa umeme.

Bw. Naibu Spika wa Muda, hili Shirika la Kenya Power and Lighting Company (KPLC) limetajwa sana hapa. Sitaki kulitilia mkazo sana, lakini ningependa kusema kwamba katika sehemu yangu ya Uwakilishi Bungeni mimi binafsi nilienda kwa KPLC nikalipa pesa mwaka moja unusu uliopita. Hata hivyo, mpaka leo sijapata umeme. Maafisa wa shirika hilo walikuja wakatia magongo kisha wakaenda zao na hatujawaona tena. Sielewi zile pesa zetu tulizotoa kama wanavijiji zinavutia riba au zinakaa katika "shimo" la KPLC bila wateja kupewa riba. Hatuna maelezo kamili ni kwa nini hawapewi huduma.

Kulikuwa na ripoti, miaka miwili iliyopita, ambayo ilifichua ufasidi mkubwa katika shirika lile. Hata hivyo, mpaka leo hatujajua kama kuna hatua zozote zilizochukuliwa kuwaadhibu waliohusika, au kuhakikisha kwamba ufasidi ule hautokei, kwa sababu ufasidi ni moja ya mambo

makubwa ambayo pengine yameharibu usambazaji wa umeme katika nchi hii.

Bw. Naibu Spika wa Muda, kwa hayo machache, naunga mkona Hoja hii.

Mr. Muchiri: Thank you, Mr. Temporary Deputy Speaker, Sir, for according me this chance to contribute to the Vote of the Ministry of Energy.

I think it is important that we tell the Ministry that, although it is doing a good job by allocating money per district, the development strategy and structure is now to allocate money to the constituencies. I think that is a very important aspect of this Ministry because in every constituency, we want to advance some electricity supply somehow. When money is allocated to the districts we only hope that it will be distributed equitably to the constituencies. Otherwise, there will be foul play in the sense that some areas will be left out without that part of the development. So, I would like to urge the Ministry to ensure that, at least, every constituency in this country gets a bit of money from this Ministry. I think that is important. The tendency for people, for example, walking into offices soliciting for projects, to me, is not good management. I would rather that the Ministry has a structured way of knowing that there is a certain amount of money allocated to a certain constituency and it is utilised in the right manner.

Mr. Temporary Deputy Speaker, Sir, many hon. Members have talked about KPLC. The KPLC has only done good work in the sense that it can read the meters in good time and also disconnect power in good time. Anything else is not good from KPLC. I am an estate manager, developer, *et cetera*. Anytime you want to connect electricity to a new building, it is a big problem. You apply now and, two months down the line, there is nobody on the site to survey. Nobody even acknowledges your application. I think the monopoly called Kenya Power and Lighting Company (KPLC) must be checked. We must create other parastatals to compete with KPLC. That is because, as long as we leave KPLC as a monopoly--- As you know, from an economic point of view, monopolistic tendencies are not going to prevail any more!

Mr. Temporary Deputy Speaker, Sir, when KPLC officers ask you to pay a certain amount of money so that power can be connected, they do not tell you how they have calculated that amount. They do not even give you a chance to question that costing. I would like to appeal to the parent Ministry to tell KPLC to tabulate those amounts whenever they want to supply electricity *wananchi*. When you give me a bill of Kshs250,000, how do I know how you have calculated it? I will have to give it to another electrical engineer to tell me: "Oh! This is reasonable and fair!" So, we are asking for some transparency in that regard. I speak here on behalf of many developers in this country. That particular amount must be questioned. We must be given a chance to say: "You have over-shot here! You over-costed here!" That opportunity must be given. We are a Government that cherishes accountability and transparency. So, that bit is to the KPLC.

Mr. Temporary Deputy Speaker, Sir, the whole issue of lack of electric poles is amazing. We have to import poles from South Africa. Those poles must be taken for testing - I do not know in Gilgil or somewhere! The testing has standards that are not of this country. The standards are from Britain. I think the standards that are used for testing the poles must be localised. The other day, I heard in the Public Investments Committee (PIC) meeting that the trees must have grown for 27 years, so that they can gain strength. When shall we ever be able to attain those kind of standards in this country?

Mr. Temporary Deputy Speaker, Sir, we are encouraging farmers in Nyandarua, for example, to grow eucalyptus and blue-gum trees. Five years will be enough. Fair enough, the testing should be there. I think those standards should be looked into, so that we can encourage farmers in this country to grow those particular trees. That way, we will save a lot of foreign exchange for this country.

Mr. Temporary Deputy Speaker, Sir, before electricity is supplied, there must wiring and

other works. But the so-called electrical materials are very expensive in this country. They are in form of transformers, supply cables, main switches, switches and sockets. They are very expensive in this country for reasons that I am not able to tell. So, I am asking the Ministry to speak to the Treasury and look into ways of reducing taxes like Value Added Tax (VAT) for those particular items. Electricity is not the preserve of the rich. For you to enjoy electricity, you must be fairly rich. We want that gap to be closed. I think the Ministry can intervene on behalf of Kenyans, so that the taxation structure in that regard is looked into.

There are many Kenyans who have paid money to KPLC to be supplied with electricity. Where KPLC and Ministry of Energy know that electricity will not be forthcoming, I want to echo the sentiments of my friend, Mr. Kipchumba that, that money should be refunded.

(Applause)

It should be refunded because we are having a lot of pressure at home. Certain groups were formed and paid a lot of money to KPLC. They are asking: "Where is the electricity?" That kind of situation is hope against hope. Sometimes, you are told that, that money was utilised for surveying and documentation. That bit should be looked into, so that our people in the rural areas can have hope that one time their villages will be lit with electricity.

Mr. Temporary Deputy Speaker, Sir, we all know that solar energy is fairly cheap because it does not have any running costs. I urge the Ministry to encourage the use of solar energy. I operate one in my house and I know it is fairly cheap to run. Programmes of that nature in areas that are a little bit far from electricity lines should be encouraged. People in the rural areas should be encouraged to harness that energy.

Mr. Temporary Deputy Speaker, Sir, I want to echo again that we are allocating some amounts of money from the Constituency Development Fund (CDF) to provide electricity. I want to ask the Ministry to tell its officers in branches like Nakuru and other districts--- In Nyandarua, we are managed from the Nakuru office. When we tell them that we have some money from the CDF kitty, they should take that like a donor who comes and tells you: "I have money here! Please, facilitate connection of electricity to the people." I say that because I reserved some Kshs2 million for my constituency, but the Nakuru office has not done its best to connect electricity. I do not know what they do not have. It must be either the poles or the cables. I really do not know. I think the Ministry should know that we are reserving some money from CDF for electricity projects. That was echoed by another hon. Member. I think it was the hon. Member for Shinyalu Constituency. Really, we wish that, that money should not be left to lie in the bank! For example, I have Kshs2 million lying in the bank because the Nakuru branch of KPLC is not able to tell us when they want that money paid. I want to extend electricity from a trading centre called Shauri to another called Ndogano. I also want to extend electricity from Maironya to Kiandegge. If they are not able to do it, let us privatise that sector and give contracts to other contractors who can do the job. That is very important.

Mr. Temporary Deputy Speaker, Sir, I support this Vote. I want to encourage the Ministry. I think they are doing a good job more than before. They should carry on with the good job. I think we can depend on the Minister and the technocrats in the Ministry. Let it not be that you can only take a rural electrification project to an area where there is mister so and so. That was the other regime. This regime is another one.

Thank you very much, Mr. Temporary Deputy Speaker, Sir, for giving me this chance.

Mr. Wario: Ahsante sana, Bw. Naibu Spika wa Muda, kwa kunipa fursa hii ili niweze kuchangia Hoja iliyo mbele yetu. Namshukuru Mwenyezi Mungu aliyeumba jua, mwezi na sayari

ya dunia, na akaiamrisha kila moja kuzunguka kwa vipimo maalum. Kwa kufanya hivyo, akatujalia nguvu za aina mbali mbali bila malipo. Mwenyezi Mungu hatupimii nguvu za umeme kama KPLC. Kwa hivyo, anastahili shukrani.

Bw. Naibu Spika wa Muda, hayati Mzee Jomo Kenyatta alikuwa na ndoto. Alikuwa na azma ya kuona Kenya iliojimudu. Kila Mkenya ajue kusoma na kuandika, apunguze umaskini na apambane na maradhi yanayowahangaisha Wakenya. Yote hayo, ikiwa ni kupambana na maradhi, kupunguza umaskini na kujua kusoma na kuandika, yanataka nguvu za umeme. Iwapo Mwenyezi Mungu amjalie Mzee Kenyatta aliyetikwa kaburini ainue kichwa na aone hali ya wilaya ya Tana River, miaka 42 baada ya Uhuru, angejiuliza: "Kwa nini nilipigania Uhuru kwa sababu baada ya miaka 40 ya Uhuru wa Kenya hakuna maendeleo huko? Nazungumza haya kila mara tunapokuja kwa bajeti ya Wizara hii kwa sababu wilaya ya Tana River ndiyo wilaya ya pekee katika nchi ya Kenya haijapata nguvu ya umeme na ambayo imesahaulika katika giza. Leo watoto wa wilaya ya Tana River hawajui tofauti ya gololi na umeme. Serikali hii inatarajia watoto kutoka huko wilaya ya Tana River ambayo imesahaulika katika giza miaka 42 washindane na watoto wengine wa nchi ya Kenya. Hayo ni masikitiko na ningemuomba Waziri asikie haya na akumbuke watoto wale ni Wakenya kama Wakenya wengine na wana haki kama Wakenya wengine na wanastahili kupata umeme kama Wakenya wengine.

Bw. Naibu Spika wa Muda, kwa mradi wa usambazaji umeme mashambani, majuzi tulipata habari kwamba kituo cha Madogo kimepata Kshs4.5 milioni. Mpaka sasa watu wa Madogo hawaamini. Siku ile itakuwa kweli basi Nyachae ataitwa Musa na awe tayari kuenda kufungua umeme huu wetu wa watu wa Tana River kwa sababu kitakuwa ni kituo cha kwanza kule baada ya miaka 42 kupata umeme. Namualika Waziri siku hiyo aje mwenyewe aambie watu wa wilaya ya Tana River hii ndio inaitwa stima.

Bw. Naibu Spika wa Muda, pengine kutoka Wakilisho la Bura mimi ndio mtu wa pekee ninailipia umeme na hii ni rekodi. Katika Wakilisho la Bura Mzima, Mbunge wao pekee ndiye ana ushirika na KPLC. Hakuna mtu mwingine wa Bura aliyepata fursa kulipia umeme katika nchi ya Kenya. Mwezi uliopita nililipa Kshs6,400 na nikajiuliza: "Je, yule Mkenya anayeishi vitongoji akiambiwa alipe Kshs6,000 kwa mwezi, hali yake itakuwa namna gani?" Ningeuliza Wizara ipunguze VAT kwa malipo ya stima.

Bw. Naibu Spika wa Muda, natumai Wizara inafaa kuangalia soko. Pia, iangalie mbinu itakayotumia kupitisha umeme kwa Wakenya. Utakapomuuliza Wanjiku aje akwambie bei ya transfoma kama alivyoambiwa na KPLC atakwambia kuwa kikingi kimoja kutoka Afrika Kusini kinauzwa Kshs70,000. Ninaona kama Wizara haina sera maalum ya kujali maisha na maslahi ya Mkenya kule vijijini. KPLC au wale wanaosimamia sera ya usambazaji wa umeme inaonekana wametoshaka na makampuni makubwa na viwanda. Wanawapa pesa nyingi na haioni kwa nini wahangaike kule vijijini na maskini kama akina Wario kule Bura. Kwa hivyo, ninasema Kshs70,000 ni pesa nyingi sana kule mashambani. Utaleta kikingi kimoja kutoka Afrika Kusini na uje uuze Kenya kwa Kshs70,000. Vikingi kumi ni Kshs700,000. Vikingi 100 ni Kshs700 milioni. Sasa kwa nini sisi tunabomoa nchi yetu wenyewe? Kwa nini tusiwawezeshe Wakenya wapande wenyewe, wavune na wafaidi shirika la KPLC?

Bw. Naibu Spika wa Muda, wale wanaosimamia sera waangalie mbinu tofauti za umeme. Nasema hivyo kwa sababu ninatoka katika sehemu kame. Ukienda Tana River au Garissa leo, lile jua litakupiga mpaka hutatamani kurudi huko tena. Katika sehemu kama hizi utakapojaribu kutumia nguvu za umeme, bei itakuwa rahisi na wananchi watanufaika. Hawatakaa miaka 42 ndio waone stima. Waangalie upepo na kaa la mawe kwa sababu juzi tumesikia inapatikana Mwingi na Kitui. Sehemu kame zinaweza zikashughulikiwa iwapo Serikali itakuwa na sera ya kujali watu kutoka sehemu hizo.

Bw. Naibu Spika wa Muda, leo tunategemea raslimali zitokanazo na nguvu ya maji. Hizi zimethibitishwa kuwa ghali mno. Tuna matatizo nazo tena. Utasikia Kiambere au Kindaruma wanatupimia maji ya mto Tana. Ushasikia kule wilaya ya Tana River mara fulani watu hupigana wakauana? Zaidi ya Wakenya 500 washapoteza maisha kwa minajili ya maji kwa sababu Kindaruma wamefunga maji na wanatupimia na kijiko. Wakitosheka wanafungua maji yale na yanakuja kutufagia na kutuagamiza sisi watu wa wilaya ya Tana River. Ni lazima tuwe na namna ya kusimamia visima hivi. Visiachiliwe tu lakini wapunguze nguvu visije vikamaliza watu kule chini.

Bw. Naibu Spika wa Muda, wenzangu Wabunge walizungumzia maswala ya fedha za kuendeleza maendeleo katika sehemu zetu za uwakilishi Bungeni (CDF) na sisi kama wenyeji wa Uwakilisho Bura, tulitenga pesa kiasi fulani kwa minajili hiyo ingawa ilikuwa ndoto kabla hatujapata pesa za kuleta umeme vijijini na hapa ningewashukuru Waziri na Wizara yake kwa jumla. Tulitenga pesa. Inatakikana kule mashinani au nyanjani, wale maofisa wa KPLC wabuni sera na wawe na mbinu zitakazowawezesha kunufaika na fedha za uwakilisho ili waweze kusambaza umeme katika sehemu nyingi za nchi yetu.

Bw. Naibu Spika wa Muda, katika sehemu ya ufugaji asilimia 50 ya mifugo ya Kenya inatoka katika sehemu kame. Mifugo iwapo ingepata hii karakana na zana hizi za umeme, bila shaka ingeweza kurudisha soko letu. Hivi sasa, tunapambana na Ethiopia na Somalia katika soko letu la Nairobi. Ni lazima mifugo iletwe kutoka Moyale. Kubeba ng'ombe mmoja kutoka Moyale hadi Nairobi ni Kshs4,000 na bado hujaiuza. Lakini iwapo tungekuwa na gari za baravu, tungechinja ng'ombe tuuze nyama kokote katika nchi ya Kenya badala ya kung'ang'ana na ng'ombe, kucha na pembe zake pamoja.

Bw. Naibu Spika wa Muda, tunavyozungumza sasa, Kshs200 milioni imetengwa ya utafiti wa mafuta. Pesa hizi hazitoshi. Kenya inaonyesha dalili ya kuwa nchi bora katika ukulima na utalii. Tutakapopata mafuta, nchi ya Kenya itanawiri duniani. Serikali ingechukua fursa hii kutenga pesa ya kutosha ya kutafuta hii mafuta katika sehemu kame kama Lamu. Mara nyingi imekisiwa kwamba kuna ishara ya mafuta kupatikana kule lakini wale wenye nguvu wanatupiliwa upepo na hawataki kuona Wakenya wakinufaika na haya mafuta. Sisi wenyewe pia tumewaunga mkono. Kwa nini tunatenga pesa kidogo ya kutafuta hii mafuta?

Bw. Naibu Spika wa Muda, nikienda kumaliza, mwanamziki mmoja alitamka maneno akisema: *"You can fool some people sometimes but you cannot fool all the people all the time"*. Nasema haya kwa KPLC: Macho ya Kenya imewalenga. Kushawishi Mkenya umwambie KPLC ni shirika nzuri ni ngumu. Karibuni huenda mukagomwa. Leo tunawaomba mulete uhusiano bora baina yenu na Wakenya kwa jumla la sivyo mpira uko kwenu.

Asante, Bw. Naibu Spika wa Muda.

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, power is key to development of any nation. Without power you cannot develop. This country has taken matters that are related to energy very casually. The cost of power in Kenya is four times the cost of power in South Africa and yet we intend to compete with it in the Common Market for Eastern and Southern Africa (COMESA). The cost of power in Kenya is five times that of Egypt and yet we pretend that we can compete with Egypt in COMESA. Again, the cost of power in Kenya is two times the cost of power in Uganda and Tanzania and yet we think we can sustain our edge in trade in this region. There is an urgent need for us to address the issue of power in this country.

We have effective management in many of our parastatals that relate to power generation. The Ministry is endowed with proper management resources that can handle issues to do with energy quite effectively. However, look at the budget for the Ministry of Energy. It is a small fraction of the budget for the Office of the President! Intelligence in this country has been allocated

more money than the Ministry of Energy and yet we do not need intelligence as much as we need power.

Mr. Temporary Deputy Speaker, Sir, take the example of Kenya Power and Lighting Company (KPLC). Why do we continue maintaining KPLC as a distributor as well as a retailer? They simply cannot manage those two functions. They have failed not because they do not want to be effective, but because the work is overwhelming to them. At the same time, there is pressure on our local management in KPLC to retire so that work can be handed over to expatriates. It is as if the white skinned people will perform better than black men. Some of us attended school with the white people and we showed them fire.

We have parastatals in the energy sector which are making a lot of money. They include, Kenya Pipeline Corporation (KPC), KPLC, KenGen and National Oil Corporation of Kenya (NOCK). Why can we not invest the money we get from these parastatals in expanding our energy base so that the cost of energy is made cheaper? Instead of making billions in profits, why can we not reduce the cost of energy in this country so that we can compete favourably with other nations in trade and industrial production?

I have been privileged, as a Member of the Departmental Committee on Energy, Communications and Public Works, to attend two important conferences. Last year, I attended one important conference in Germany where we were discussing renewable energy. We were told, during that function, that Kenya can actually supply 50 per cent of its energy needs by developing its renewable energy. For example, Kenya lies across the equator and so we have sunshine in this country for 330 days out of the 365 days in a year. So, we have an opportunity to develop solar energy more than Germany which gets sunshine for only 188 days in a year and yet it generates a lot of solar energy; probably 20 times more than what Kenya generates.

Kenya falls under the wind system and we could easily develop wind energy. However, because those energy sources are not lucrative in terms of generating money to individuals, we have not cared to develop them. Why can we not invest the profits made by KPLC this year in the development of solar energy? Why can we not do the same with the profits made by KPC? We could also use the amount of money generated by KenGen in establishing hydropower stations along rivers such as Nzoia, Nyando, Kuja and many others. That way, we will be able to avail energy cheaply to our people.

We have been exploring oil in this country for decades. However, I bet, we cannot discover commercial quantities of oil in this country if we keep on depending on the traditional explorers. Take the example of Sudan. Shell and other companies from the West decided to explore oil in Sudan in 1953. They did not discover commercial quantities of oil until USA imposed an embargo on trade with Sudan. As a result of the embargo, Sudan was forced to try countries in the East. It sought explorers from China, India and Malaysia and within one year, they were able to strike oil in commercial quantities. Today, Sudan has the potential to be the largest exporter of oil in Africa. So, why the hang-up with our colonisers? Why can we not go East to countries like Malaysia and India? I would like, one day, to hear that there is an Indian company in Lamu exploring oil, a Malaysian company in Turkana and a Chinese company in Kisii doing the same. I believe there could be some oil in Kisii. I would really like us to go East this time round.

Mr. Temporary Deputy Speaker, Sir, allow me to talk about matters relating to my constituency. Where I come from we have very small holdings of land and, therefore, we cannot keep forests. As a result, we cannot depend on wood fuel. That is why we would like to have electricity. But how many projects under the Rural Electrification Programme are in my constituency? None at all. Not even in my neighbouring constituencies. If you ask hon. Owidi he will tell you that there is no rural electrification project in his constituency. There is none in hon.

Obwocha's and hon. Okioma's constituencies. In fact, there is none in the Minister's constituency. Why is that the case? It is because they keep on saying that they do not have funds. But are all these parastatals in the energy sector not generating a lot of money? I would like to see the funds that we Vote here being given to each constituency the way we have dealt with roads and bursary money. Those constituencies which have the potential to use the energy more, perhaps, could be given additional money. However, we must have a base figure for every constituency in the country.

The Ministry has it, as one of its regulations, that you must get a recommendation from the District Development Committee (DDC) before qualifying for the Rural Electrification Programme. DDCs are dead in this country. In Kisii District, for the last four years, we have not held one single DDC meeting. I believe my colleagues will say the same. So, why depend on DDCs when Constituencies Development Fund Committees or District Projects Committees are more functional? That way, we will expedite the provision of rural electrification.

We have an oil refinery in our country. Last week I attended a congress in South Africa on oil. We were told that there are adequate quantities of crude oil in the world, but there is no adequate refinery capacity in the world and that is why the cost of petroleum products is so high. We cannot refine enough oil! I would like to urge the Government to invest in the Kenya Oil Refinery. Let us give jobs at the refinery to Kenyans so that when we get crude oil at a cheap price we process it ourselves here thereby making the cost of petroleum products cheaper.

Why can we not invest more on geothermal power? I understand that Kenya is endowed with enormous geothermal resources. Why do we want to reinvent the wheel? Why can we not invest in biogas, for example? We have pastoralists in this country and we could assist them to develop biogas in their villages.

Finally, we have charges that are levied on energy in this country, but I do not know what that money does. Why should we not use that money to enhance the economy of this country?

Thank you, Mr. Temporary Deputy Speaker, Sir.

Mr. Sambu: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this Vote. First, I want to say that we ought to take our Government seriously. We should, therefore, take directives issued by Ministers seriously. When the Minister gave a directive to petroleum companies not to increase their prices because of the advanced tax, most of them did not heed to it. Petroleum products prices are still going up. Crude oil prices, all over the world, have gone down. However, our local companies have not lowered their prices. We used to think that it was the huge multinationals which were out to exploit Kenyans. But, it is our own indigenous companies which are doing it. I urge the Minister to follow up the issue of the directive that he issued. He should suspend licences of people running petroleum stations and yet, disregarding the directive. After all, there are many people who are willing to run petroleum stations.

I want to talk about exploitation of petroleum oil. I concur with what one of my colleagues said; that, we cannot discover oil in large quantities if we use multinational companies. It is in their interest to keep the world's supplies precariously low, so that they can control prices and harvest where they have invested. Therefore, we have to search in other countries, particularly the Far East, where there are no multinationals which rule the world's oil sector, for people to come here and find oil for us. The Shell and BPs of this world will not discover oil for us.

There are also other energy producing raw materials like coal in this country. Previously, we were told that coal would be used in the manufacture of the "Nyayo" car, which was being manufactured using iron ore. Coal is in certain parts of this country. Those people in the Mines and Geology Department, under the Ministry of Environment and Natural Resources, know where coal is. Coal should be in substantial quantities in order for it to generate power. We also have the geothermal power which is not yet fully exploited. Why is it that we have to always depend on

rivers which are on the east of the Rift Valley for hydro-electric power generation? We want rivers like Yala, Nzoia and Kipkaren, which is a tributary of River Nzoia, to be tamed so that they do not flood the Kano planes and the Budalangi areas. The Government is wasting money putting up dykes. Instead of putting up dykes, it should put up a dam, which may only displace 200 families, between lower Kipkaren and Webuye, but will have saved us a lot. Those who are affected by the dam construction can be compensated by being allocated land elsewhere. Power generation cannot be done on rivers which are seasonal. Previously, we have experienced power rationing because the Tana River went dry. I can assure you that Nzoia and Yala rivers do not go dry. Why do we continue depending on the same rivers for power generation, yet that was a colonial relic to have investments in certain parts of the country? Let us transfer hydro-electric power generation to rivers which flow into Lake Victoria. Such rivers are permanent and their volume of water is more or less constant throughout the year.

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

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

I want to suggest that we allow independent power generators to generate power from dams. Dams should not be a preserve of the Government. If there is a river flowing through someone's farm and is large enough to generate 10 to 15 megawatts, then KPLC should extend a line to that point and buy power from that source. That is cheaper than buying power from the independent power generators who use fossil fuels like diesel and other fuels.

Mr. Temporary Deputy Speaker, Sir, on the issue of distribution of power, we have to do something about the KPLC. That has been said here before. I talked about it when I was serving the previous Government and will say it now, while on the Opposition side. Those who are in the Government are also complaining about the same. I do not know if the KPLC is above the law. It has collected money from groups of people to pay for survey. The KPLC has also been asking for an additional Kshs5 million for installation of power. In my constituency, over Kshs30 million has been collected from groups of people in Nandi District, yet there is still no power supply. Those people who gave out their money cannot get a refund. This is unfortunate because the money was collected way back in 1995 and 1996. Had it been invested in a bank, it would have doubled by now. It is sad that when we demand to have KPLC services, it responds by saying it has no money.

Electric power in Kenya is expensive because of the inefficiency of the parastatal. Why would a 250 KVA transformer cost almost Kshs1 million? I visited a country abroad and found out that for 1,000 Euros, one can get a 200 KVA transformer. I got to know this while on a Parliamentary visit to Italy. The transformer conformed to the Kenyan standards. Even if the transformer is stepped down from 11,000 volts to 415, it would still conform to our standards. One wonders why we allow one company to exploit people. I want to request that we do not allow an inefficient parastatal to milk our people the little money available under the CDF. There is a limit of how much money we can put into one type of project. Under the CDF, we should be allowed to import transformers, duty free, as long as they conform to the power generation requirements of this country. If the transformers can fit into the national grid and conform, they should be allowed into the country. For instance, we should be allowed to import a transformer of between 250 to 415 KVA, for low tension.

My colleagues have talked about electricity poles. I do not want to repeat the issue. Where

low tension power lines pass, a small shopkeeper and other residents in the area are required to pay a minimum of Kshs15,000. That is ridiculous! We have to sacrifice some of these parastatals particularly the KPLC. We have to scrap it if need be because it is simply inefficient.

Mr. Temporary Deputy Speaker, Sir, I want to thank those donors who have funded electricity projects in this nation. We in Nandi District want to thank the Spanish Government for the project which has just been completed. We anticipate the French-funded project will commence soon. I would like to inform the Minister that the French project is long awaited. The sooner it starts the better particularly for public utilities.

I beg to support.

Mr. Omondi: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me time to contribute to this Motion. Today, the cost of oil is US\$70 per barrel. We cannot do anything about this because this is the international cost of oil and we must bear it. We need to do something as Kenyans so that the cost of this same fuel in our country is reduced to the minimal.

Many countries including India have now started embracing the idea of blending fuel. In our country we have never embraced that idea. We have two companies that produce alcohol oil. One of them is based in Kisumu and the other in Muhoroni. This alcohol power that we produce is mainly for human consumption because the Government does not authorise companies to blend their fuel production using power alcohol.

I would like to urge the Government to introduce legislation that will force companies to blend their fuel production with power alcohol that is produced by these two companies. This will generate employment because when the market is created it means that other companies that produce sugar like Mumias Sugar Company Muhoroni Sugar Company and Chemelil Sugar Company will also follow suit. When jobs are created poverty will be eradicated.

Mr. Temporary Deputy Speaker, Sir, electricity and petroleum are the main sources of energy. The problem is the accessibility to these products. Many Kenyans are yet to access electricity. In rural areas many people are still using firewood for cooking and lighting. We need to change the livelihood of our people in rural areas. This is where I start asking how the budgetary allocations that we have been making for rural electrification have been utilised.

Since the NARC Government came to power we have been allocating Kshs500 million towards rural electrification. Distribution of this money has been wanting. This money was meant for development of electricity in urban slums. Unfortunately, as the hon. Member for Kasarani Constituency, I do not remember any of this money getting to develop my area. I would like to ask the Minister for Energy, who is seated here, to exercise a lot of parity when distributing this money. I also concur with my colleagues here who said that allocation of these funds should be constituency based so that, as hon. Members, we are in a position to control these funds in the same way we control funds for development of other projects in the constituencies.

Mr. Temporary Deputy Speaker, Sir, I would also like to urge the Government to embrace the idea of using other sources of energy like wind and solar energy, and other renewable sources of energy, which can make the cost of energy affordable to most of our people. Energy is required by all Kenyans. If the cost of energy is not affordable, then we shall be failing as a Government. I would like to urge Mr. Nyachae, because I know he is a very able *mzee*, to try and bring in a few expatriates who will introduce other ideas that can make us come up and use many other sources of energy. That can also make the cost of this very important commodity affordable to our people. It would be useless to say that electricity or other sources of energy currently available should be the sole preserve of people living in urban centres. This way, we will not be helping our people because majority of Kenyans live in rural areas. These people need energy for productive work. The *Jua Kali* artisans, for example, need energy to do their work. If we improve rural electrification, our

people will stop moving from rural areas to urban areas in search of employment. They will be able to produce goods for sale and earn a living. Therefore, I would like to ask the Minister to utilise the resources that have been budgeted for in the Rural Electrification Programme (REP) for that intention and not to divert that money for other uses.

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

Maj-Gen. Nkaiserry: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to contribute to this very important Vote.

First of all, let me take this opportunity to thank the Minister for presenting a well balanced budget for his Ministry. However, if you look at the needs of the country in terms of energy requirements, this is fairly a minimal allocation. I do not know how they arrived at the Recurrent Vote of over Kshs300 million. I am sure this will affect salaries and general administration. When you look at the Development Vote of Kshs8 billion, the Minister spoke of distribution of these funds through the Kenya Power and Lighting Company (KPLC), the national grid and the Rural Electrification Programme (REP). However, the REP has been given a raw deal. As some of my colleagues have said, the heart of development is energy in form of electricity. The strategy which was introduced many years ago, when we were very young people - the Strategy for Rural Development - could not take off because we have village polytechnics which cannot function because they have no power. The Minister should have targeted rural electrification in his allocations, so that he could try as much as possible to reach all the areas in the country.

Mr. Temporary Deputy Speaker, Sir, before I dwell on that, I must thank the Minister for prioritising Kajiado and Namanga for electrification. I think those regions will eventually develop in terms of technology. Indeed, I am very grateful because of the positive responses that I have been receiving from the Ministry. We have towns along Mombasa Road. One side is in Machakos and Makueni districts and one side is Kajiado District. We do not have power on our side! That has been the situation since Independence. I am so glad that the Ministry is going to look into that.

Mr. Temporary Deputy Speaker, Sir, I am not going to be very kind to Kenya Power and Lighting Company (KPLC). I think that is one parastatal that needs to be very serious if we want this country to develop. The issue of monopoly is a major problem. That is why that parastatal is complacent in listening to the cries of un-supplied centres across our Republic. The Ministry needs to come out and push KPLC to provide power to our local communities.

There are several sources of energy, especially electricity. A place like OI Karia generates a lot of power. KPLC is making quite a substantial amount of money from that power. But when you look at the staff establishment at KenGen or KPLC, you hardly find individuals from those communities working in those local areas. It is very important that the Ministry looks into that.

When you look at a place like Turkwel, KPLC gets electricity from that place. But it does not consider the small towns along the way for the Pokot and Marakwet to develop. Power is just taken all the way to Nairobi for other people and yet, the people around the source of that power are not even considered! We are talking of equity in terms of development.

Mr. Temporary Deputy Speaker, Sir, we should also look for better ways of getting cheaper energy. The rivers that feed River Nile emanate from the highlands of Kenya. So, the Government must approach the Egyptians to give us subsidies in some areas so that we can reduce the cost of fuel. Even today, water is more expensive than wine or petrol.

Mr. Temporary Deputy Speaker, Sir, a country like Kuwait has too much fuel, but we have not even explored relationship with that country. The other day, I led a delegation of Members to that country and they said they could help us. It is a shame that more than 40 years after Independence we have not come up with a proper strategy to supply energy to our people. The energy sector is still mostly under foreigners, and that is why we are not able to push this agenda to

enable us to supply electricity. We do not even have the strategy to tap solar energy or wind energy! The Ministry needs to pull up its socks.

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

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

Mr. Temporary Deputy Speaker, Sir, I want to thank the Minister for trying and we look forward to Ministry supplying energy to our country.

With those remarks, I beg to support.

The Temporary Deputy Speaker (Mr. Khamasi): I will give this chance to the Member for Kacheliba.

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): On a point of order, Mr. Temporary Deputy Speaker, Sir. I thought the tradition of the Chair is to move from left to right, so that we have an equal distribution of time.

The Temporary Deputy Speaker (Mr. Khamasi): Is that a point of order? Do you want to direct the Chair on what to do?

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): I withdraw that, Mr. Temporary Deputy Speaker, Sir.

Mr. Poghisio: Mr. Temporary Deputy Speaker, Sir, forgive my brother, Mr. Odoyo, for mechanising the Speaker's eye. He is supposed to catch it, not to demand or ask to be seen.

Mr. Temporary Deputy Speaker, Sir, I want to begin by thanking the Chair for the opportunity to contribute to this Vote. If I were not a nationalist, I would have no business talking about the energy sector at all. All of us know that when you are flying in from Europe, when you pass northern Kenya at night, you have no idea that you have entered Kenya. You begin to enter Kenya from around Kitale, because that is when you see lights. Northern Kenya, as you come in, is very dark. Kacheliba Constituency does not have a single electricity bulb. I have said this every year since I came to Parliament. The Minister for Energy takes notes every year about this. I am looking forward to a time when somebody in the Ministry of Energy will say: "Wait a minute, why do we initiate projects in places where they have always been? Why can we not initiate projects in a constituency which has never received power?"

Mr. Temporary Deputy Speaker, Sir, that is not forthcoming because of the nature of Kenyans. That is not the nature of hon. Nyachae, but he is a Kenyan. In January, 1970, Kacheliba Constituency was under the Ugandan administration. In July that year, a Provincial Commissioner, hon. Nyachae, witnessed on behalf of the Kenyan Government Kacheliba Constituency being transferred from the Ugandan administration to the Kenyan administration. He then spoke and made us feel that coming into Kenya would be a panacea. We felt that our lives were going to improve and we would never be the same again. I want to remind my senior colleague that Kacheliba is the same as when he received it in 1970. He has a chance now to make it bright. He has a chance now to introduce the first electricity bulb in Kacheliba Constituency.

This is a challenge to Kenyans because we never think about people who are not represented in high places. There is nobody who is representing Kacheliba Constituency or the disadvantaged communities in the Cabinet. That is where everything is divided. They use the phrase: "You scratch my back, I scratch yours". It is very easy to say "help us" from a far, but even when hon. Nyachae gives me one of the donor funded projects, for example, his Cabinet colleague will say: "Forget

about that small place and put the project in a place like my constituency".

The Assistant Minister for Regional Development Authorities (Mr. Odoyo): On a point of order, Mr. Temporary Deputy Speaker, Sir. Out of respect of collective responsibility, division of resources in this country is through the Budget. Is it in order for the hon. Member to mislead this House and the *wananchi* that the hon. Members of the Cabinet are doing horse trading in the Cabinet room?

Mr. Poghiso: Mr. Temporary Deputy Speaker, Sir, I have learned one phrase from my friend: "The Cabinet hon. Members are doing horse trading". I had forgotten that phrase.

The Temporary Deputy Speaker (Mr. Khamasi): He reminded you!

Mr. Poghiso: Mr. Temporary Deputy Speaker, Sir, he reminded me something I had forgotten. I am very grateful for the information.

The Turkwel Gorge produces electricity, which is marketed by the KPLC. This is under the energy sector. As one hon. Member has stated here, what does the KPLC give back to the people in places where electricity is produced? Is there anything that has been given back to those people? That is not only in Turkwel Gorge, but everywhere. In fact, in some places, maybe something has been given back. However, is there anything that can be given for Turkwel? I am, therefore, appealing to Kenyans to change the way they work. They should begin to think about the darkness in the north and say: "Why do we not brighten our country?" There are many options of doing this. I do not think that we all have to use the hydro-electric power. In the north, the sun and the wind can be tapped and used to produce electricity. These things are getting cheaper. It is possible to use alternative sources of energy.

Mr. Temporary Deputy Speaker, Sir, these alternative sources of energy do not only brighten the houses but also help our students to learn better. They introduce computers and alternative ways of living. Some of us think that the people in the north are always happy to engage in cattle rustling. When we introduce electricity in their homes, they will start doing other things as well that will help them. This will include introduction of computers and hightec technologies. How do you expect our children to participate in the same examinations as those in Nairobi? Our children only read while the sun is shining and then after that, there is no reading.

One of the things that bothers me personally in this particular sector, and I am going to support this Vote, is that there are certain aspects of discrimination. We would like to stand in court some day, maybe not this one but the court of public justice and ask the questions: Why do we, as Kenyans, not begin to distribute this cake fairly? My answer to that is that we need to change the way we look at ourselves. We need to change the way we look at our country and countrymen. That will solve most of our problems. I do not have to come from where you come from and I do not have to know you in order for you to give me something that you really are in charge of. I hope that from this year on, I do not have to stand every year to complain that Kacheliba has never received the electricity poles. I wish they would even plan to put the electricity poles going down to Kacheliba. It is only a distance of 30 kilometres where there are secondary schools and other facilities. If the people begin to see the signs of the poles going in that direction, it will give them hope. We will begin to see that this country cares for us. That this Government and the Ministry, which is headed by Mr. Nyachae, is beginning to remember some of these areas.

Mr. Temporary Deputy Speaker, Sir, we have talked about roads and we are talking about energy. We have already talked about water and every Ministry. It is about time that somebody in the Ministry of Energy thinks differently. That is the challenge so that next year when we come here, we will not talk about the same things.

They should supply solar energy to schools. If they get a chance to supply and connect the schools and health centres to solar power, we will be happy. They should also sink wells and

boreholes so that they can serve more people. They have the capacity to do that. That way, we will begin to see our lives improve. Why do you think that we travel to Uganda to look for pasture or water? It is because we have boreholes that are insufficient. If we have solar power, they would produce more water from deeper depths.

Mr. Temporary Deputy Speaker, Sir, on the issue of the Kenya Pipeline Company, petroleum is piped and yet you find that it is really expensive. If I want to fuel my car and I go to Nakuru, it is cheaper. It is even much cheaper in Eldoret. Yet you would think that the pipeline there is further. If you go to Kapenguria, which is very far, it is cheaper than buying fuel in Nairobi. There is something wrong. I hope that Kenyans will change the way they think.

However, with those few remarks, I beg to support.

Prof. Olweny: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this rare opportunity to contribute to this Motion. I hardly get a chance to contribute to motions these days.

Mr. Temporary Deputy Speaker, Sir, I wish to support the Motion. We all know that electricity is a necessary commodity for development in the world of today. There is nothing that goes without it, be it in cities, small towns or in the rural areas. Unfortunately, in this part of the world, we still remain in darkness. All you need to do to know that we are in darkness is to fly across Kenya at night. I am happy that the hon. Member for Kacheliba has said it. If you travel from India, Europe or South Africa and arrive in Kenya at night, you will realise that we are darkness.

We are in darkness and yet we have similar sources of power as those in other countries. The only kind of energy that we do not use in this country is nuclear energy, because we do not produce minerals that are used to generate this kind of energy. We use hydro sources for our electricity. Unfortunately, electricity has turned out to be a nightmare in this country. It is terribly expensive. I do not know whether it is because it is difficult or expensive to maintain and service the equipment that we use to produce our power.

Mr. Temporary Deputy Speaker, Sir, my colleagues have talked about the cost of transformers. I do not know whether transformers are expensive from the source where they are acquired from, taxation or because the Kenya Power and Lighting Company simply needs a little more profit. We need electricity to improve the economy in the rural areas. The *Jua Kali* sector needs it out there. It is needed for running mills and general lighting. Unfortunately, to me, there has never been a rural electrification programme in this country, but simply power supply to a few selected homes.

Mr. Temporary Deputy Speaker, Sir, you will see a power cable running from a town to one isolated home about 30 kilometres away. The rest of the people along the route just see the cables pass by. They do not know what the cables are for. If you tell them that it is electricity, they will wonder. All they are told is to go and buy a transformer from the Kenya Power and Lighting Company so that they can be connected. The cost of getting that power to a home over which the cable is passing is beyond reach. What is the Ministry doing about the cost of electrification? How does the Ministry intend to make this country have light, so that we cease to be in darkness? Africa was said to be a dark continent 100 years ago, but we still remain in darkness.

Mr. Temporary Deputy Speaker, Sir, inadequate supply, or lack of supply of electricity is badly felt in our schools and health facilities in the rural areas. Of course, wherever there is electricity, it is very expensive. This is maybe because of high taxation or because the Kenya Power and Lighting Company wants a little more profit. Why is the cost of electricity so high in this country?

Mr. Temporary Deputy Speaker, Sir, solar energy is unlimited in this country. How expensive is the equipment that is used to tap solar energy and convert it into electricity? If it is expensive to generate electricity from the hydro sources, why can we not go solar? As some of my

colleagues have said, we have so much wind in this country. Are our winds too wild, or are they too powerful for the windmills? Will they break them down? Why can we not think of those alternative sources?

Another alternative source of energy that we would use to generate electricity, that other countries are using, is available to us in the sugar industry. Mauritius produces 80 per cent of her electricity from bagasse. So much of it is being dumped in this country. Why can the Ministry not amend the Act to allow our sugar mills to co-generate, so as to add to our national grid? It will be cheaper. We know that all our sugar mills are co-generating electricity for their own use. Muhoroni Sugar Company, for example, co-generates electricity for its own use. The same applies to Chemilil, Mumias and SONY sugar companies. Actually, Mumias Sugar Company contributes a little to the national grid. I have talked to some of the Chief Executives of these sugar companies and they are complaining that the law is very stiff on them. Why can we not change that law?

Mr. Temporary Deputy Speaker, Sir, the petroleum products are hindering the growth of our economy. Taxation is one of the factors which is making petroleum products expensive. Their cost has hindered the households from using LPG gas. So, our trees are being destroyed to offer an alternative source of fuel. It is high time we thought about reducing the cost of petroleum products by reducing taxation. The sugar industry can help us in this.

Some years back we used to have gasohol in this country. Gasohol is still being produced at the Agro-Chemical and Food Factory in Muhoroni. The Molasses Complex in Kisumu is also producing a lot of alcohol which could be blended with petrol to give use gasohol. Gasohol is being used extensively in Brazil. Why can we not go that way? It will lower the cost of running our vehicles. It will also lower the cost of inputs for the agricultural sector because we use fuel everywhere in this country.

Mr. Temporary Deputy Speaker, Sir, if the Ministry would think about this, we would lower the cost of energy in this country, be it electricity and gasohol if at all it is willing to go that way. We have tested it and it worked. Maybe a few people did not like the idea because some people were looting money when gasohol was being produced and used in this country. But let us go back to that.

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

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Khamasi): Hon. Members, it is now time for the interruption of business. The House is, therefore, adjourned until tomorrow, Thursday, 13th October, 2005, at 2.30 p.m.

The House rose at 6.30 p.m.