

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 27th July, 2005

The House met at 9.00 a.m.

[Mr. Deputy Speaker in the Chair]

PRAYERS

QUESTIONS BY PRIVATE NOTICE

COMPENSATION FOR MR. PETER NGANDA

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, I beg to ask the Minister for Tourism and Wildlife the following Question by Private Notice.

(a) Is the Minister aware that Mr. Peter Mbuvi Nganda was attacked by a hippopotamus in Naivasha and sustained serious injuries including losing one leg?

(b) Is he further aware that Mr. Nganda had incurred a hospital bill amounting to Kshs118,760 at AIC Kijabe Hospital as at 11th March, 2005?

(c) If the answers to (a) and (b) above are in the affirmative, what compensation will be paid to the victim?

The Assistant Minister for Tourism and Wildlife (Mr. Mganga): Mr. Deputy Speaker, Sir, I beg to reply.

Mr. Deputy Speaker: Mr. Assistant Minister, this Question was scheduled for yesterday afternoon and you were not here. Do you not think that you owe the House an apology before you answer it?

The Assistant Minister for Tourism and Wildlife (Mr. Mganga): Mr. Deputy Speaker, Sir, we were not aware that this Question was coming up yesterday and we were both away. However, I beg to apologise to the House.

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

(a) Yes, I am aware that Mr. Peter Mbuvi Nganda was attacked and injured by a hippopotamus at Kamere Farm. His brother, Mr. Elijah Musyoki Nganda reported the incident to the Kenya Wildlife Service (KWS) Station at Naivasha on 22nd February, 2005. He was advised to collect the compensation claim forms, but never went back for them.

(b) I am not aware that Mr. Peter Mbuvi Nganda incurred medical expenses amounting to Kshs118,670 at the AIC Kijabe Hospital.

(c) The compensation for Mr. Peter Mbuvi Nganda cannot be processed unless he submits duly filled compensation claim forms to the District Wildlife Compensation Committee.

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, Mr. Peter Nganda has already submitted the forms for compensation. Nevertheless, what can the Ministry do to assist this person to continue getting treatment at the AIC Kijabe Hospital?

Mr. Mganga: Mr. Deputy Speaker, Sir, the Wildlife Conservation and Management Act, as amended in 1989, does not have any provision for the Ministry to pay medical bills for people who have been injured by wildlife. However, we can compensate the victim according to the law. The

maximum compensation for injuries, as provided by the law, is Kshs15,000.

Mr. K. Kilonzo: Mr. Deputy Speaker, Sir, could the Assistant Minister, under the circumstances, review this matter? Injuries occasioned by wild animals to human beings have exceeded the amount of compensation that the Ministry has set aside. In view of the rising medical costs, could the Ministry consider reviewing the compensation amount to reflect the medical expenses incurred when an individual has been injured?

Mr. Mganga: Mr. Deputy Speaker, Sir, the amount of Kshs15,000 was not set by the Ministry. It was set by this House when the law was amended in 1989. With regard to the issue of rising medical costs, the Ministry has embarked on a comprehensive review of the Wildlife Conservation and Management Act to explore sustainable suitable options, so that people can be adequately compensated when they are injured by wildlife.

Mr. Omingo: Mr. Deputy Speaker, Sir, the payment of Kshs15,000 as compensation for a human life is a serious insult to human life. Hon. G.G. Kariuki brought a Bill here to review that figure upwards so as to compensate our people reasonably. Could the Assistant Minister consider bringing an amendment to increase that meagre compensation amount of Kshs15,00 to, at least, Kshs1 million? A human life is sacred!

Mr. Mganga: Mr. Deputy Speaker, Sir, as I have said, we have embarked on a comprehensive review of this Act. What has been raised by hon. Omingo is being taken care of in that Act. As you are aware, hon. G.G. Kariuki's Bill was discussed here and the Ministry has taken up the various issues and recommendations that were brought forward during the discussions in this House. I want to assure the House that when the Bill comes back here, we will be able to take care of injuries occasioned by wildlife to a level that Kenyans will find acceptable.

Mr. C. Kilonzo: Mr. Deputy Speaker, Sir, cases of wildlife attacking human beings are on the increase. If the Ministry is not able to protect the people, could it consider allowing the people to protect themselves from the wildlife?

Mr. Mganga: Mr. Deputy Speaker, Sir, wild animals have encroached on human settlements and the Naivasha incident is not unique. They have encroached on other areas such as Kwale, Taita-Taveta, Trans Mara, Narok and Laikipia. However, in this particular case of Naivasha--

Mr. Deputy Speaker: Did you say Naivasha?

Mr. Mganga: Yes, Mr. Deputy Speaker, Sir. The hon. Member has referred to Naivasha, I think, because of other reasons.

Mr. C. Kilonzo: On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister in order to say that I have gone to Naivasha and yet I have not. This particular victim, Mr. Nganda, is my constituent but he works in Naivasha--

Mr. Deputy Speaker: Very well. Mr. C. Kilonzo, your point of order is taken. Please, do not go further than that!

Mr. Assistant Minister, could you continue?

Mr. Mganga: Mr. Deputy Speaker, Sir, in that particular area there is Lake Naivasha and its environs are a natural habitat for hippopotamuses. But many people have gone to farm in this area that is inhabited by hippos. Our wildlife officials have advised them to make sure that they keep away from those areas, especially in the morning and evening. But, occasionally, you will find farmers encroaching into areas that are actually inhabited by wild animals, and this makes it very difficult for us to protect them. We are trying, as a Ministry, to make sure that areas that are under our jurisdiction are adequately protected. We have been having a shortage of rangers but we recently employed a number of them, and we will post them to some of those areas. We believe that the situation will improve soon.

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

Mr. Deputy Speaker: No, Mr. Keter! Look at the clock; this Question has taken a lot of time.

Next Question by the hon. Member for Mandera East.

X-RAY EQUIPMENT FOR MANDERA
DISTRICT HOSPITAL

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

(a) Is the Minister aware that the only X-ray equipment at the Mandera District Hospital has broken down?

(b) Is she further aware that the nearest X-ray equipment is about 400 kilometres away in Wajir Town?

(c) What urgent measures is she taking to remedy the situation?

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

Mr. Deputy Speaker: Please, could you do what is rightful to this House?

The Assistant Minister for Health (Dr. Kuti): Mr. Deputy Speaker, Sir, I would like to begin by apologising for coming to the Chamber late. But I would also like to seek your guidance, because when your procession was getting into the Chamber, I was in the men's toilet. I just walked in after you passed this Question.

Mr. Deputy Speaker: Dr. Kuti, that is a frivolous excuse, because my procession is not supposed to wait for hon. Members who are coming from toilets! Could you apologise and continue?

(Laughter)

The Assistant Minister for Health (Dr. Kuti): Mr. Deputy Speaker, Sir, I apologise for coming to the Chamber late.

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

(a) Yes, I am aware that the only X-ray machine at Mandera District Hospital broke down around May, 2005.

(b) Yes, I am aware that the nearest X-ray facility is located at the Wajir District Hospital, which is about 400 kilometres from Mandera town.

(c) My Ministry has already purchased a new X-ray machine in the just concluded Financial Year, 2004/2005, to replace the broken one. The new machine will be delivered and installed not later than mid-August, 2005.

Mr. Shaaban: Mr. Deputy Speaker, Sir, I thank the Assistant Minister for the answer because, at last, Mandera District Hospital will get an X-ray machine. However, if it will be delivered by mid-August this year, it will have taken about five months for the district hospital to have an X-ray facility. As you all know, an X-ray machine performs a core function in any hospital. Lack of this machine has seriously affected services at the hospital.

Mr. Deputy Speaker: Mr. Shaaban, could you, please, ask a question?

Mr. Shaaban: Mr. Deputy Speaker, Sir, could the Assistant Minister assure the House of the delivery of the machine as soon as possible, because there no private hospitals in Mandera District with X-ray facilities? Whenever there is a breakdown of the X-ray machine, services are seriously affected. Could he assure the House that he will provide an extra machine to the district, so

that it is used when the other one breaks down?

(Loud consultations)

Mr. Deputy Speaker: Order! Order, hon. Members!
Proceed, Dr. Kuti!

Dr. Kuti: Mr. Deputy Speaker, Sir, X-ray machines in Government hospitals were supplied about 15 years ago. All of them are now breaking down, and the Ministry is finding it difficult to repair them. So, there is a programme of replacing faulty X-ray machines throughout the country. This Financial Year, 2005/2006, we will spend about Kshs100 million to replace X-ray machines in several district hospitals. The whole replacement programme will take about three years. It is only after the completion of this programme that we will consider district hospitals like Mandera for extra X-ray machines.

Thank you.

Mr. Ngoyoni: Mr. Deputy Speaker, Sir, I wish to join my colleague in thanking the Assistant Minister for getting an X-ray machine to Mandera District Hospital. But is he also aware that in many district hospitals, where we have X-ray machines, there are no radiologists, or radiographers, to operate them? In fact, there are no radiographers in Marsabit and Mandera District Hospitals. Could he ensure that X-ray machines are accompanied by qualified staff, so that adequate medical service is offered?

Dr. Kuti: Mr. Deputy Speaker, Sir, I would like to agree with the hon. Member that there is a shortage of radiologists and radiographers at our hospitals. This is because they are few in number. They are also in high demand and again most of them end up being posted to urban centres, so that district hospitals in rural areas have a lot of problems getting radiographers and radiologists. That notwithstanding, I will try to ensure that when a hospital has an X-ray machine it has a radiologist, or radiographer, to offer services to the people.

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, this Ministry seems to have its priorities completely wrong. For example, recently it purchased curtains for Kenyatta National Hospital (KNH) at a cost of Kshs300 million. Yet, he is telling us that only Kshs100 million will be spent to purchase equipment that is essential for diagnosis in our hospitals.

Mr. Deputy Speaker, Sir, I would like the Assistant Minister to tell us what programme he has for hospitals that do not have X-ray machines?

Applause

Dr. Kuti: Mr. Deputy Speaker, Sir, Kshs100 million is for this financial year alone, and I said that we have a three-year programme to replace all X-ray units in the district hospitals. I am not aware of the issue of curtains for the KNH. It could be raised another time. The issue of curtains is not related to the one about X-rays, because the KNH has its own budget and we have a separate programme for district hospitals.

Dr. Kuti: Last question, Mr. Shaaban!

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

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

Mr. Omingo: Mr. Deputy Speaker, Sir, you heard the hon. Member ask about the programme in place to provide X-ray machines to hospitals that do not have them. The question was not about replacements. The Assistant Minister has not answered this question.

Mr. Deputy Speaker: Mr. Assistant Minister, I think you should address the issue of

providing new X-ray machines.

Dr. Kuti: Mr. Deputy Speaker, Sir, if there are new district hospitals that do not have X-ray facilities, the hon. Member should bring them to our attention. I am not aware, as of now, of any district hospital without an X-ray facility, unless it has broken down.

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

Mr. Deputy Speaker: Order! Order, hon. Members! I think we should stop there in as far as this Question is concerned. But let us have the last question by Mr. Shaaban.

Mr. Shaaban: Mr. Deputy Speaker, Sir, is the Assistant Minister aware that his Ministry is very inefficient, especially when it comes to replacing broken down facilities in our hospitals? It takes a long time for the Ministry to replace broken down facilities at Mandera District Hospital! What is he doing to ensure that there is an immediate response whenever there is a breakdown of equipment in far-flung places like Mandera District?

Dr. Kuti: Mr. Deputy Speaker, Sir, most hospitals have Medical Engineering Departments (MEDs). Their main work is to repair hospital equipment which has broken down. We have technicians who are trained specifically to repair medical equipment. Should a breakdown be beyond the engineering capabilities of the technologists in the district, then we seek the services of the companies which supplied the equipment. For instance, all the X-ray machines in the district hospitals in the country were supplied by the Phillips Company, which has specific technicians who await breakdown reports from hospitals. When I was at Isiolo District Hospital, I had to get the technicians at some point and they came in to help in good time. These are the ways in which we handle breakdowns and repairs.

CANCELLATION OF CBK CURRENCY
PRINTING TENDER

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

(a) Could the Minister confirm that the Central Bank of Kenya is currently in the process of tendering for the printing of banknotes for the Republic of Kenya?

(b) Could he explain the reasons for the cancellation of the tender earlier advertised?

(c) What is the Minister doing to ensure that the companies that have in the past been disqualified do not rank for supply?

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

(a) I am aware that the tendering process for the printing of new generation notes for the Republic of Kenya has commenced. In order to ensure competitiveness, value for money and the best possible design, tenders have been invited from six leading commercial banknote printing companies of international repute.

(b) The tender earlier advertised was cancelled because, after receipt and evaluation of the tenders, it was felt strongly that the tenders received did not meet the overall objective of the tender and, particularly, the need to ensure competitiveness in both price and quality of designs.

(c) Since I am not aware of any company that has been disqualified from the tendering for the printing of currency in Kenya, part "c" does not arise.

Mr. Omingo: Mr. Deputy Speaker, Sir, the Assistant Minister needs to be a little bit more

serious with Kenyans and this House. On 14th March, 2003, the Government cancelled a tender for a company which was printing money for the country. This was confirmed on 17th March, 2003. There was also another tender which was floated and cancelled in April. There was yet another tender to be opened on the 18th of this month, but has now been pushed to the 20th of next month. Could the Assistant Minister tell this House, and Kenyans, who is currently printing money and at what cost? Kenyans must know!

Mr. Katuku: Mr. Deputy Speaker, Sir, the issue of printing of Kenyan currency has been handled previously, for the past five years, by a company known as De La Rue Currency and Security Print (K) Ltd. That is the company which has been doing the printing of currency for Kenyans. But we are now in the process of opening tenders as the hon. Member has said. On 29th we will be opening some, so that we can award the tender to whoever wins. Therefore, the answer to that question is that De La Rue Currency and Security Print (K) Ltd. has been printing Kenyan money for the last five years.

Mr. Kamotho: Mr. Deputy Speaker, Sir, the Assistant Minister has said that De La Rue Currency and Security Print (K) Ltd. has been printing money for the past five years. But we are aware that, in the early months of 2003, the contract which was given to De La Rue Currency and Security Print (K) Ltd. in the previous year was cancelled. The reason for cancelling the contract was because it was awarded through single-sourcing. The Government also claimed that the contract was fishy. Could the Assistant Minister tell us now what has happened between 2003 and now, to warrant giving contracts once again to De La Rue Currency and Security Print (K) Ltd.?

Mr. Katuku: Mr. Deputy Speaker, Sir, I want to clarify that De La Rue Currency and Security Print (K) Ltd. has been printing money for Kenya for the past 40 years. Out there in Britain, it has done so for the past 35 years. After the company was established here in Kenya, it has done so for the past five years. As far as the issue of contracts is concerned, before the NARC Government came into power, the party in which the Questioner was a Member and also the Secretary-General, signed a contract with De La Rue Currency and Security Print (K) Ltd. The contract was to commence in January when the current Government took over. But when we went into office---

Mr. Kamotho: On a point of order, Mr. Deputy Speaker, Sir. Is the Assistant Minister not misleading this House and the country by claiming that a political party signed a contract on behalf of the Government?

Mr. Deputy Speaker: Mr. Assistant Minister, is it the party which signed the contract or the Government?

Mr. Katuku: Mr. Deputy Speaker, Sir, I can clarify that. It is the Government of Kenya, which was formed by the party in which the Questioner was the Secretary-General that signed the contract. After the contract was signed, work was supposed to commence in January 2003, and the contract would last for 10 years. The cost of the contract was too high and we found it very prudent to cancel the contract. We negotiated and cancelled the contract and reduced it to five years, which have ended. We are now in the process of tendering afresh, so that we can get value for Kenyans' money.

Mr. Osundwa: Mr. Deputy Speaker, Sir, could the Assistant Minister confirm to this House that the delay has been caused by jostling at State House by two parties, as to who should be given the tender to print money? Could he confirm this because the matter is already in the public domain? Two family members have been jostling over who should be awarded the tender!

Mr. Katuku: Mr. Deputy Speaker, Sir, that is a very serious allegation, if you agree with me! I want the hon. Member to substantiate the allegation if he wants a serious response from me. As an Assistant Minister, I do not deal with families but policies of this Government.

Mr. Deputy Speaker: Hon. Members, the direction this Question is taking, and what the hon. Assistant Minister is demanding, will take us to a position where you will end up mentioning names of individuals who are not here to defend themselves. I will not allow naming of individuals here. If you want us to move on in that direction, I am sorry, but I will not follow it!

Mr. Wamunyinyi: Mr. Deputy Speaker, Sir, the Assistant Minister said that certain requirements of tendering were not met, which forced the Government to cancel the tenders. Could he tell this House the specific tendering requirements of competitiveness which were not met and hence, forced the Government to cancel the tender?

Mr. Katuku: Mr. Deputy Speaker, Sir, when we advertised the tender for this [Mr. work, we invited companies to tender and when they did that, they were supposed to give us the quotations for the supply. They were also supposed to give prototypes of the kind of notes they would supply. In this case, they were supposed to put in two envelopes, one containing the quotation for the money and another one containing the type of currency they would provide. When the tenders were opened, we found that one of the envelopes for one of the companies had been tampered with while another one was marked. We expected these prototypes to be in envelopes that would not indicate who the supplier was. This would have enabled us to evaluate the quality of the notes before we award the tender.

Mr. Deputy Speaker, Sir, the other mistake was that we were supposed to look at the quality before we look at the price. Therefore, when the tender was opened, the lowest bidder had tendered about US\$98,000. The highest had tendered US\$148,000. We found that the company that had tendered the lowest had some of its documents interfered with. We felt that there was malpractice in this process. That is why we found it necessary to cancel the tender. So as to get the best offer, we re-advertised this tender to ensure that there is fairness. We suspected that some of these fellows had interfered with the process so that they could win the tender.

Mr. Deputy Speaker: Mr. Assistant Minister, which fellows?

(Laughter)

Mr. Katuku: Mr. Deputy Speaker, Sir, when we realised that the envelopes were interfered with, we were not satisfied with the reasons given for the interference. One was found opened while the other one was marked. This disqualified two of the companies. We found it unfair to consider only two companies which were the highest bidders.

Mr. Deputy Speaker: I know that many hon. Members want to ask more questions. However, we have taken a lot of time on this Question so far. I will, therefore, allow the last but one question.

Mr. Mukiri!

Mr. Mukiri: Mr. Deputy Speaker, Sir, it is common knowledge that where there is tendering, and especially where a lot of money is involved, there is a lot of interference with the tendering process. That is why many people keep losing businesses because of interference by the Ministry officials. What action did the Assistant Minister take against those people who interfered with the tendering process? That is a criminal offence!

(Applause)

Mr. Katuku: Mr. Deputy Speaker, Sir, my investigations did not point at any given official. That is why I decided to cancel the tender in *toto* since it was a complicated matter. However, this time round, I want to assure this House that it will be done professionally.

Mr. Sirma: On a point of order, Mr. Deputy Speaker, Sir. You can clearly see that the Ministry was involved in the cancellation of this tender. If they did not take any action, then there was no anomaly!

Mr. Deputy Speaker: Mr. Sirma, that is not a point of order!

Mr. K. Kilonzo: Mr. Deputy Speaker, Sir, I just want the Assistant Minister to confirm or deny that the reason why the former Governor of the Central Bank of Kenya, Mr. Nahashon Nyagah, was edged out was because he refused to terminate this contract with M/s De La Rue Currency and Security Print. That is why they got the new Governor to do it with instructions from the Minister for Finance vide a letter that he wrote on 14th March, 2003. He even stated a discussion they had with the Head of State referring to this matter.

Hon. Members: *Toboa!*

(Applause)

(Several hon. Members stood up in their places)

Mr. Deputy Speaker: Order, hon. Members! That is enough!

Mr. Katuku: Mr. Deputy Speaker, Sir, the allegation by the hon. Member is serious!

(Mr. K. Kilonzo stood up in his place)

Hon. Members: No!

Mr. Deputy Speaker: Order, hon. Members! Let the Assistant Minister respond!

Mr. Wamunyinyi: On a point of order, Mr. Deputy Speaker, Sir. The hon. Member has invoked the President's name. He said that there was a discussion with the President.

Mr. Katuku: Mr. Deputy Speaker, Sir, our Standing Orders prohibit hon. Members to invoke the name of the President as authority for these serious allegations. It is only the Ministers who can quote the name of the President. The hon. Member is, therefore, out of order to do that.

Hon. Members: Table it!

(Loud consultations)

Mr. Deputy Speaker: Order, hon. Members! The House must come to order!

(Mr. K. Kilonzo stood up in his place)

Order, Mr. K. Kilonzo! Will you sit down? Under Standing Order No.72, no hon. Member, other than a Minister, shall use the name of the President as authority for anything that he says.

(Several hon. Members stood up in their places)

Order, hon. Members! Please sit down! Will you let the Assistant Minister respond? However, I have already told Mr. K. Kilonzo what he should do.

Hon. Members: Table the letter!

Mr. Keter: On a point of order, Mr. Deputy Speaker, Sir. Mr. K. Kilonzo clearly quoted a letter dated 14th March, 2003 by the Minister for Finance, Mr. David Mwiraria, quoting his discussion with His Excellency the President. He did not, therefore, quote the President. Could he table that letter so that we can look at it?

Mr. Deputy Speaker: Can I see that letter?

Mr. Keter: I can give you my copy!

Mr. Deputy Speaker: You are not the one who should do that!

Mr. K. Kilonzo, can I see that letter?

*(Mr. K. Kilonzo laid the letter
on the Table)*

(Applause)

Very well! Let the Assistant Minister respond as I look at the letter.

Mr. Katuku: Mr. Deputy Speaker, Sir, I want to have the benefit of the letter. However, as you look at it, there is one principle that I want to state here. The sacking of the former Central Bank of Kenya Governor had nothing to do with this contract. However, I would want to look at the letter because I want to believe that there is nothing in that letter that relates to the sacking of Mr. Nahashon Nyagah. The hon. Member is just bringing in issues which are not related to this matter.

Mr. Omingo: Mr. Deputy Speaker, Sir, if hon. Members cannot be told how the funds we allocate are being appropriated, the Wanjikus of this country are going to suffer for a long time. The contract that was terminated was fishy as per the letter tabled. I would like the Assistant Minister to confirm or deny that he has failed to operationalise the Government Public Financial Management Act, 2004, that was assented to by His Excellency the President on December, 2004, so that he can continue legitimising such kinds of single-sourcing. Could he also confirm on record that M/s De La Rue Currency and Security Print have not been given an extension for one year under single-sourcing?

Mr. Katuku: Mr. Deputy Speaker, Sir, I want to first address the issue of the letter. The letter tabled before this House relates to what I had said earlier; that the Government found it prudent to cancel the contract that had been entered into then with this company. We felt that it was very expensive to supply currency for Kenyans. That is why we cancelled this contract. The letter says exactly that! It has nothing to do with what Mr. K. Kilonzo alleged about the Central Bank of Kenya Governors.

On the issue raised by Mr. Omingo, about the extension of contract to M/s De La Rue Currency and Security Print for printing money for one year, in my view, that is not an extension. The Central Bank of Kenya has signed a fresh contract with M/s De La Rue Currency and Security Print to supply us with money for the next one year simply because we realised that there would be a shortage of money before the other contract is evaluated and awarded. By the time the supplier or the next winner of the contract starts, the country was to have a shortage of money from January, 2006. It, therefore, became prudent to award a fresh contract that was signed between the Central Bank of Kenya and M/s De La Rue Currency and Security Print. The issue of single-sourcing does not relate to this issue.

Mr. Deputy Speaker: Hon. Members, let me say this---

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

Mr. Deputy Speaker: Mr. Omingo, just a minute! You have had your time.

Hon. Members, having seen the letter that Mr. K. Kilonzo laid on this Table, in fact, I am

now convinced that the content is exactly as he said. There is nothing wrong with what he said. I have already passed on the letter to the Assistant Minister. Therefore, the matter ends there. If you want to follow it up, you can do so elsewhere.

The Question has been exhausted!

Let us move on to Ordinary Questions!

ORAL ANSWERS TO QUESTIONS

Question No. 317

PAYMENT OF SHARES/DIVIDENDS TO UFUNDI SACCO MEMBERS

Mr. Wamunyinyi asked the Minister for Co-operative Development and Marketing:-

(a) whether he is aware that Felisters N. Katti and others who were members of Ufundi Co-operative Savings and Credit Society Limited and were seconded to the Ministry of Roads and Public Works in August, 2000, have not been paid their share contributions plus dividends earned; and,

(b) what action he is taking to ensure that retirees are paid their entitlements immediately they are served with notices of termination.

The Minister for Co-operative Development and Marketing (Mr. Ndwiga): Mr. Deputy Speaker, Sir, this Question came up in the House yesterday. Unfortunately, I was in Kangundo and this delayed my coming to the House.

However, I beg to reply as follows:

(a) I am not aware. However, I am aware that Felisters N. Katti has already been refunded her shares.

(b) I am not taking any action since a person does not automatically cease to be a co-operative member upon being served with a termination notice.

Mr. Wamunyinyi: Mr. Deputy Speaker, Sir, this lady was retrenched by the Ministry of Roads and Public Works in 2002. She notified her co-operative society of what had taken place and sought a refund of her dues. However, this never happened. It was only until I put this Question to Parliament that she was recently paid her dues. Could the Minister tell this House why it had to take a Question to be put to Parliament before the payment was made?

Mr. Ndwiga: Mr. Deputy Speaker, Sir, it is true that this lady gave due notice to her co-operative society that she wanted her dues refunded. However, Ufundi SACCO has had liquidity problems since the 1998 bomb blast. That is why there was a delay.

Mr. Deputy Speaker: Hon. Members, we must go to the last question on this because this lady has already received her dues.

Mr. Angwenyi, what is it?

Mr. Angwenyi: Mr. Deputy Speaker, Sir, this is just one case in point. Could the Minister tell us what measures he has put in place, so that people who retire, die or resign from jobs get their dues from co-operative societies promptly?

Mr. Ndwiga: Mr. Deputy Speaker, Sir, I have already said that one does not cease to be a member of a co-operative society because they have retired. They can continue being members even after termination of employment or retirement. A good example is the Parliamentarian SACCO. Mr. Angwenyi knows that we have many former hon. Members who are still members of that SACCO

today and yet they are not sitting hon. Members of this House.

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

Mr. Wamunyinyi: Mr. Deputy Speaker, Sir, it is time the Minister took Parliament seriously. The question of members of co-operative societies not being paid by their respective dues when they leave employment is prevalent now. A shining example relates to the employees of Kenya Railways Corporation (KRC) where a large number of staff were retired, but they have not been paid their dues. What specific measures is the Government taking to ensure that those who have terminated their membership from societies are paid their dues without delay?

Mr. Ndwiga: Mr. Deputy Speaker, Sir, it is true that, in the past, some SACCOs have delayed payments to retired members. Indeed, the case quoted by the hon. Member is quite correct. However, we have had a problem with some employers who have not been remitting money to SACCOs. SACCOs have had major problems servicing accounts of members because of non-remittance of SACCO dues by employers. I would like to confirm to this House that since the passage of the Co-operative Societies (Amendment) Act, my Ministry has taken over 215 employers to court as of yesterday.

Mr. Deputy Speaker: Next Question, Mr. K. Kilonzo!

Question No.344

WHEREABOUTS OF MR. MUTUA MATHITU

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

- (a) whether he is aware that Mr. Mutua Mathitu was arrested in October, 1996 and detained at Kitui Police Station;
- (b) whether he is also aware that while Mr. Mathitu was in the police custody, he fell ill and was taken to hospital, but has since never been seen; and,
- (c) whether he could inform the House the whereabouts of Mr. Mathitu.

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

(a) Yes, I am aware that Mr. Mathitu was arrested on 31st October, 1996 and charged with the offence of assault causing bodily harm contrary to Section 251 of the Penal Code.

(b) I am not aware of Mr. Mathitu having been taken ill while in police custody to warrant his being taken to hospital for treatment.

(c) Police records clearly indicate that Mr. Mathitu was arraigned before court on 24th February, 1997 and he pleaded guilty to the charge. He was sentenced to two years imprisonment by the District Magistrate, Kitui. The police have not been in touch with Mr. Mathitu since that time. He was handed over to the Prisons authorities.

Mr. Deputy Speaker, Sir, the latest information is that Mr. Mathitu received Presidential amnesty on 20th October, 1997 and was released.

Mr. Deputy Speaker: Mr. K. Kilonzo, what is all this about?

Mr. K. Kilonzo: Mr. Deputy Speaker, Sir, this Question is very serious because a family has lost one of their own. If you listened to the Assistant Minister's response, it shows that this man was arrested in October, 1996 and taken to court in February 1997. That is five months later. We know the Laws of Kenya stipulate that anybody who is taken to police custody should only stay there for 24 hours. This man stayed in custody for five months. Could the Assistant Minister tell us what Mr. Mathitu was doing in police custody for five months? To date, he has not been seen. If he was, indeed, released on 20th October, 1997, could he produce the release order and when it was

signed? Could he also show this House Mr. Mathitu's signature to show that he was actually released?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, there are two questions in one. First, on the issue of custody, whether for the period of the five months for the date of arrest to the date of charge, I am not aware, but I would be happy to cross-check that. I am aware that the complainant was his own brother. He assaulted his own brother. Secondly, we have not received any formal complaint from the family that, that person is missing.

Mr. Deputy Speaker: I have to call the last question on this. Mr. K. Kilonzo, the last question was about his whereabouts. That is crucial. The Assistant Minister has clearly stated that the man was released under amnesty. What would you like him to do, because the police do not necessarily follow those who have been released? What is the problem?

Mr. K. Kilonzo: Mr. Deputy Speaker, Sir, I appreciate that we are constrained on time, but this is a very important matter. Recently, I received a letter from the family complaining that the whereabouts of Mr. Mathitu are not known. But the Assistant Minister has said that there was no complaint. Could he lay on the Table the release order of Mr. Mathitu?

Mr. M. Kariuki: Mr. Deputy Speaker, Sir, let me emphasize that it is the duty of the Government to ensure that every citizen is safe, and as soon as we receive any report of disappearance, we put our machinery in place to try and trace that person. The Presidential amnesty is carried out on national days and it is in the list of 20th October, 1997, that we were able to trace the name of the person as being among those who were released. If he disappeared subsequently, we would be happy to receive any complaint. The hon. Member has said that he has some letters showing that he disappeared. I would be very happy to investigate the authenticity of the letter and also the complaint.

Mr. Deputy Speaker: Obviously, the life of a person is very important. I think the Assistant Minister has undertaken to carry out further investigations. If you please, I can defer this Question because the Assistant Minister has undertaken to carry out further investigations. Therefore, I defer the Question until next week on Thursday, so that he can make more inquiries. The hon. Member should also supply the Assistant Minister with the information to assist in the investigations.

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

Mr. Deputy Speaker: What is out of order, Mr. Mukiri?

Mr. Mukiri: Mr. Deputy Speaker, Sir, the Assistant Minister has not answered a very relevant question. He has just given us a list indicating that, that person was released. But there must be a procedure in the police.

Mr. Deputy Speaker: But, Mr. Mukiri, that Question has been deferred. We will find out whether he has answered when he comes back to the House. So, you can wait for that day and put your question.

Now, it is you, Mr. Mukiri, to ask the next Question!

(Question deferred)

Question No.261

PROTECTION OF INSURANCE POLICY
HOLDERS' INTERESTS

Mr. Mukiri asked the Minister for Finance in view of the collapse of various insurance companies, what he is doing to protect the interests of policy holders.

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

The Government has established an Insurance Policy Holders' Protection Fund as provided for in the Insurance Act, Cap.487, to assist the insured who suffer when an insurance company becomes insolvent and unable to meet its liabilities. That was gazetted on 24th September, 2004, through Kenya Gazette Supplement No.62. The Fund became operational from 1st January, 2005. The Ministry is also in the process of establishing an insurance regulatory and development authority, with adequate capacity to supervise and promote the insurance industry.

Mr. Mukiri: Mr. Deputy Speaker, Sir, so many insurance companies in this country have collapsed. We had Access Insurance Company, Kenya National Assurance---

Mr. Deputy Speaker: Mr. Mukiri, could you raise your voice towards the microphone? You know you are short!

Mr. Mukiri: Mr. Deputy Speaker, Sir, I was saying that there are almost 60 insurance companies that have collapsed in this country. For example, there was Access Insurance Company, Kenya National Assurance, Stallion Insurance and so on. Recently, United Insurance Company (UIC) went under. Many people incur huge losses after those companies collapse. The Assistant Minister has just said that Kenyans can now access remedy from a fund that has been set aside under Cap.484. Could he then confirm that all policy holders who have been affected by the collapse of UIC could get remedy from that fund? Could I also know how much money is in that fund at the moment?

Mr. Obwocha: Mr. Deputy Speaker, Sir, the Questioner is a lawyer and he knows the law of retrospect. We are only going to deal with insurance companies that collapsed since the establishment of the Fund on 1st January, 2005. As to the total amount of money that has been so far collected, I do not have that figure now, because he did not ask for it. If he wants to know the figure, let him file another Question. We will give him the figure of how much we have collected since January.

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

Mr. Deputy Speaker: Order, Mr. Mukiri! You are fond of points of order. You will still have a chance. Let someone else assist you, please!

Mr. Mwenje: Mr. Deputy Speaker, Sir, regarding UIC, which went under the other day, those who had insured with them, particularly in the transport industry, their vehicles are being arrested by police on the roads for driving them without insurance, and yet they still have the stickers. Could the Assistant Minister tell us whether that fund covers those motor vehicles on the roads? If so, could the police be instructed not to harass those motorists?

Mr. Obwocha: Mr. Deputy Speaker, Sir, those with stickers from IUC should seek alternative insurance as we deal with the case. That fund is going to deal specifically with insurance companies that collapsed, and UIC is one of them. So, the usage of the stickers is not allowed by law.

Mr. Deputy Speaker: Last Question, Mr. Mukiri!

Mr. Mukiri: Mr. Deputy Speaker, Sir, I think it is embarrassing. There is a fund that has been set aside to assist citizens who have lost because an insurance company has collapsed. Mr. Mwenje has just asked about vehicle owners who had paid premiums to UIC, which collapsed about three weeks ago! The Assistant Minister is saying that there is no remedy. What is the purpose of that fund, if it cannot be used to pay premiums for those people who are suffering? I suspect there is no money in that account! Could he tell us how much money is deposited in that account?

Mr. Obwocha: Mr. Deputy Speaker, Sir, the hon. Member knows that when an insurance company collapses, there are many policy holders of many classes. There are those with insurance

policies for vehicles, life and so on. Therefore, we look at the liability in total. We cannot address one class of insurance from there. For now, until we address that issue, those who had insured with UIC should seek other insurances covers to run their vehicles, while we deal with that issue. There are funds in that account since January. But if he wants us to tell him the figure, let him file a Question.

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

Mr. Deputy Speaker: Hon. Members, once a Minister answers a Question to a certain level, that is the end. Most hon. Members want to get to the end of the matter and that is why we are taking a lot of time.

Mr. Mwenje: On a point of order, Mr. Deputy Speaker, Sir. There is something which is bothering me with Questions. We ask Questions in this House so that the Government can take remedial action on those issues, and yet the Ministers come and answer them as if they are in a classroom. They simply give answers which are not effective. Nothing happens on the ground. They are not reacting properly. Like now, this is a Question whereby I have said that motorists are suffering. The Assistant Minister says that there is money, and yet there is no action that is going to be taken to save motorists. What is the purpose of asking Questions in this House? It appears they are no longer serving any purpose.

Mr. Deputy Speaker: Mr. Obwocha, could you address the concern of Mr. Mwenje?

Mr. Obwocha: Mr. Deputy Speaker, Sir, I have been very clear in my answer, that the problems of United Insurance Company are not only to do with motorists. We are going to deal with this problem in its totality with the money we have in this fund we have just established. However, in the meantime, if motorists want to use the roads, they must have some insurance cover because that is what the law says.

Mr. Mukiri: On a point of order, Mr. Deputy Speaker, Sir. The Assistant Minister has not answered my Question at all. About 60 per cent of passenger service vehicles are insured by United Insurance Company and the Assistant Minister says there is a fund. Could you defer this Question to next week so that he tells us how much money is in that fund? I will advise affected Kenyans to go and seek remedy; otherwise, I have not received any reply. It is a waste of time.

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

Question No.189

REVIVAL OF CATTLE DIPS
IN SIGOR CONSTITUENCY

Mr. Rotino asked the Minister for Livestock and Fisheries Development:-

- (a) whether he is aware that cattle dips in Sigor Constituency which were hitherto operational have collapsed; and,
- (b) what urgent measures he is taking to revive the cattle dips and how much money has been set aside for the programme.

Mr. Deputy Speaker: I think we had this Question yesterday. The Vice-President and Minister for Home Affairs requested this morning that this Question be deferred because the Minister for Livestock and Fisheries Development is out of the country. So, the Question is deferred to next Thursday.

(Question deferred)

Next Question by Capt. Nakitare!

Question No.432

OWNERSHIP STATUS OF MT. ELGON
DISTRICT HOSPITAL

Capt. Nakitare asked the Minister for Health:-

- (a) whether she is aware that Mt. Elgon District Hospital changed ownership under mysterious circumstances; and,
- (b) how the change from public to private ownership was undertaken and how much was paid in form of compensation.

Mr. Serut: On a point of order, Mr. Deputy Speaker, Sir. I have looked at this Question. I am the Member of Parliament representing Mt. Elgon and as far as I know, Mt. Elgon District Hospital is still a public institution and it has not changed ownership.

Mr. Deputy Speaker: Just a minute, Mr. Serut! You are jumping the gun. This Question is directed to the Minister for Health and if you wanted to interject, you could have done that before. This Question was deferred last time because Capt. Nakitare claimed, and I quote: "On a point of order, Mr. Deputy Speaker, Sir. There is a typing error in this Question. This is not my original Question". This Question was deferred because Capt. Nakitare claimed that there was a typing error and I went ahead and assisted him by deferring the Question so that we could check why it was altered. Now, I have with me here the original Question by Capt. Nakitare and it reads exactly the same as per the original Question. So, there is no question of a typing error.

Capt. Nakitare, do you remember that you started by saying that it was an irrelevant Question?

(Laughter)

So, the purpose for which we deferred this Question was because there was a typing error according to Capt. Nakitare but now I have his signed copy and I have confirmed that there was no typing error. Therefore, this Question will be dropped.

(Question dropped)

Next Question by Mr. Koros!

Question No.493

COMPLETION OF CHUIYAT HEALTH CENTRE

Mr. Koros asked the Minister for Health:-

- (a) which construction company was awarded the tender to construct Chuiyat Health Centre and what the cost of the project was;
- (b) whether she is aware that the contractor abandoned the project before completion; and,
- (c) what she is doing to have the project completed.

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

(a) NK Construction Company of PO Box 3854, Eldoret was awarded the tender for erection and completion of maternity blocks at Chuiyat Health Centre at a cost of Kshs608,712 only. However, the amount spent on the project to date has gone up to Kshs961,691.

(b) The contractor handed over the completed works Phase 1 on 20th May, 2004 to the community.

(c) My Ministry has set aside some extra Kshs500,000 towards completion of this facility.

Mr. Koros: Mr. Deputy Speaker, Sir, I am surprised by the answer given by the Assistant Minister. I do not understand what he means when he says: "The contractor handed over the completed works, Phase 1, on 20th May, 2004 to the community". I know that the health centre is at the moment half-way complete. Could the Assistant Minister inform the House the specifications of the iron sheets used in roofing this health centre?

Dr. Kuti: Mr. Deputy Speaker, Sir, the project was in two phases and each phase was to cost Kshs1 million and the contractor handed over Phase 1, which was completed, to the local community. It is in the process of receiving Kshs500,000 from the Ministry to start Phase 2. Concerning the question of iron sheets, I think before any Government construction is started, the Ministry of Roads and Public Works prepares a bill of quantities and specifications for the kind of materials required. The contractor should abide by those specifications.

Dr. Kibunguchy: Mr. Deputy Speaker, Sir, from the experience that we are gaining from the Constituency Development Fund (CDF), when is the Ministry going to make a deliberate policy of using the local communities to construct small projects like dispensaries, since contractors are paid a lot of money but do very little work? When will the Ministry change from issuing Authority to Incur Expenditures (AIEs) to direct grants to communities to construct small projects like dispensaries and health centres?

Dr. Kuti: Mr. Deputy Speaker, Sir, I appreciate the hon. Member's comments because I agree fully that sometimes even the bill of quantities prepared tend to be very high compared to the local contractors who will have done the same job at a much reduced cost. As of now, we must follow Government procurement regulations, and that is what we have to go by.

Mr. Koros: Mr. Deputy Speaker, Sir, according to the bill of quantities which was done by the Ministry of Health, the contractor was supposed to use Galsheets and not 32K iron sheets which he used. What action is the Assistant Minister going to take against the contractor for using 32K iron sheets?

Dr. Kuti: Mr. Deputy Speaker, Sir, every health facility has a health management committee which, together with the hon. Member, are like the eyes of the public. Therefore, if the contractor did not abide by the specifications, then I think the necessary action needs to be taken so that the iron sheets could be changed to the correct specification.

Thank you.

Mr. Deputy Speaker: That is very right, Dr. Kuti.
Next Question, Mr. Wanjala!

Question No.517

EXPANSION OF BUNYALA RICE
IRRIGATION SCHEME

Mr. Wanjala asked the Minister for Water and Irrigation:-

(a) whether she is aware that Bunyala Rice Irrigation Scheme was started in 1968 as a pilot project;

(b) whether she is further aware that there is adequate land for expansion for this scheme; and,

(c) what urgent steps she is taking to commence the expansion.

The Assistant Minister for Water and Irrigation (Mr. Munyes): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that Bunyala Rice Irrigation Scheme was started in 1968 as a pilot project with an objective of further development in the lower Nzoia region. The pilot project covers 243 hectares, with 213 hectares developed for paddy cropping.

(b) Yes, I am also aware that there is adequate land for the expansion of this scheme, and my Ministry has specifically identified 5,500 hectares for its expansion.

(c) My Ministry is already planning to carry out a feasibility study for the 5,500 hectares for expansion. During the 2005/2006 financial year, the scheme will be expanded by 150 hectares.

Mr. Wanjala: Mr. Deputy Speaker, Sir, the Assistant Minister has accepted that the Scheme was started in 1968; that is 37 years ago, and the scheme is still a pilot project to date. The answer he has given me about the land which has been identified for further expansion is 6,000 hectares and he is talking of only 5,500 hectares. After all those years; 37 years down the line, the Assistant Minister is considering only 150 hectares. Could the Assistant Minister consider increasing the number of hectares to be expanded this year, and how much is allocated for the expansion this financial year?

Mr. Munyes: Mr. Deputy Speaker, Sir, I just made a small correction. The answer says 6,000 hectares, but the real figure is 5,500 hectares. During this financial year, 2005/2006, we will allocate Kshs20 million for the internal expansion of this scheme. We also plan to allocate Kshs15 million in 2006/2007, and after that, in 2007/2008, we will actually require the services of a consultant for proper feasibility studies to cover the 5,500 hectares.

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

Mr. Wanjala: Since the Ministry has money, because the Budget has already been read, and the National Youth Service (NYS) officers are already on the ground working on the dykes, could he consider giving them that work so that the people could start farming, so that they could earn a living to eradicate poverty, instead of waiting until you return the money to the Treasury?

Mr. Munyes: Yes, we are considering that, and during the last financial year, we used the services of the NYS officers in Budalangi. We also intend to get more services from our armed forces.

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

Question No.590

MEASURES TO SAVE LAKE ELEMENTAITA
FROM EXTINCTION

Dr. Rutto asked the Minister for Environment and Natural Resources:-

(a) whether he is aware that Lake Elementaita in the Rift Valley is slowly drying up;

(b) what impact is the possible extinction of the lake likely to have on the area's biodiversity; and,

(c) what he is doing to ensure that the lake and others in the region do not dry up, and the original level of water is retained.

The Assistant Minister for Environment and Natural Resources (Mr. Kamama): Mr. Speaker, Sir, I beg to reply.

(a) Yes, I am aware that Lake Elementaita in the Rift Valley is slowly drying up. This is mainly due to the current trends of the weather in the lake's catchment areas which have exhibited more dry cycles than normal.

(b) The impact to biodiversity resulting from the possible extinction of the lake could be very serious. It is worth noting that Lake Elementaita is one of the most important biodiversity reservoirs in this country as it provides habitat for a wide variety of bird species, human dwellings and other regional or polar migrant species, including the greater and lesser flamingoes.

(c) I wish to emphasize that the drying up of the lake and others in the region is largely a natural phenomenon. However, my Ministry is actively co-ordinating and working with relevant Government sectors, resource users, Non-Governmental Organizations (NGOs) and the private sector to promote the wise use of the lake and other wetlands in the country. Stringent measures have also been put in place for the protection and proper management of the lake's catchment areas, wetlands and rivers.

Thank you.

Dr. Rutto: Mr. Deputy Speaker, Sir, the Assistant Minister is not serious because we are talking about a very important lake which is drying up. I take great exception to the statement that the drying up of the lake is largely due to a natural phenomenon. Could he not reverse it? Secondly, what specific measures have you taken to ensure that this trend is reversed? You cannot stand here and tell us that there is nothing you can do.

Mr. Deputy Speaker: Mr. Kamama, you have heard Dr. Rutto!

Mr. Kamama: Mr. Deputy Speaker, Sir, Section 42 of the National Environmental Management Authority (NEMA) Act of 1999 makes explicit provisions for the protection and conservation of wetlands, rivers and lakes in this country. Towards this end, NEMA has established a department of coastal marine and fresh water programmes to co-ordinate and work with other Government sectors, resource users, NGOs and the private sectors to promote and ensure that Rift Valley lakes and other wetlands in Kenya are properly managed and conserved for the present and future generations.

Mr. Deputy Speaker, Sir, NEMA has a five-year strategic plan---

Maj. Madoka: On a point of order, Mr. Deputy Speaker, Sir. I do not think the Assistant Minister is answering the Question. We want to know the actual programmes; we do not want you to read what NEMA is supposed to do.

Mr. Kipchumba: Yes, we know all that.

Maj. Madoka: Give us the exact programmes that are in place.

Mr. Kamama: Mr. Deputy Speaker, Sir, the Government has two strategies; one, we have a five-year strategy that has been drawn up by NEMA, because the protection of this lake's catchment areas is under NEMA's docket. So, it has come up with a five-year strategic plan that will ensure that this lake is protected. Once again, in recognition of the importance of this lake, the Government has actually declared Lake Elementaita as RAMSA site. So, those strategies are to make sure that the catchment areas are protected.

Mr. Deputy Speaker: Last question, Dr. Rutto!

Dr. Rutto: Mr. Deputy Speaker, Sir, you can hear the dissatisfaction because he has not specifically told us what he exactly intends to do on the ground. But let me ask another question. Now, the conservation and management of the environment begins with the mind, and the destruction and mismanagement of the environment also begins with the mind. What has the Ministry done to enhance civic education programmes for conservation and management of the environment in this country? Can you tell us?

Mr. Kamama: Mr. Deputy Speaker, Sir, we have officers who are in charge of

environmental protection. We have District Environmental Protection Officers. We also have Non-Governmental Organisations (NGOs) who are actually assisting, and other stakeholders. So, they are on the ground actually, sensitizing people on how to conserve the environment and---

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

Mr. Deputy Speaker: Let the Assistant Minister continue to answer, please.

Capt. Nakitare: Mr. Deputy Speaker, Sir, this is important.

Mr. Deputy Speaker: I know it is important. But let the Assistant Minister finish and then I will give you a chance.

Mr. Kamama: Mr. Deputy Speaker, Sir, we have those officers who are doing that job. Secondly, the hon. Member will actually realise that we have three catchment areas for this lake. These are Eburu, Mau and Dundori forests. The Government has made sure, through its officers, that those people that are in those catchment areas are sensitized to conserve the environment, so that this lake, by extension, is also made safe. We will also make sure that this lake does not dry up. We will sensitize those people.

Mr. Deputy Speaker: Capt. Nakitare, can I hear what was out of order?

Capt. Nakitare: Mr. Deputy Speaker, Sir, was the Assistant Minister in order to mislead this House that Lake Elementaita is dying a natural death when we know that there is a lot of soil excavation on its banks? Could he tell us why they have allowed human encroachment along the banks of this lake?

Mr. Deputy Speaker: Well, that is a valid question, Capt. Nakitare. Just for public interest I will allow it to be answered, but it is not a point of order!

Proceed, Mr. Assistant Minister!

Mr. Kamama: Mr. Deputy Speaker, Sir, I am only aware that we have excavation of salt within that lake. However, the issue of encroachment is actually not true.

Mr. Deputy Speaker: Next Question by Mr. L. Maitha!

Question No.542

COMPLETION OF GEDE *JUA KALI* SHED

Mr. L. Maitha asked the Minister for Labour and Human Resource Development:-

- (a) why the construction of the *Jua Kali* shed at Gede in Malindi has stalled; and,
- (b) how much money was allocated to the project.

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

(a) The construction of the *Jua Kali* shed at Gede in Malindi stalled due to inadequate financial resources allocated during the 2004/2005 financial year. At the end of the 2004/2005 financial year, a sum of Kshs4.8 million had been spent on the project, and the construction of the building had gone up to the shuttering stage.

(b) The project was allocated Kshs3 million in 2003/2004 financial year, and Kshs1.8 million in 2004/2005 financial year. This totals to Kshs4.8 million in the two financial years. However, the good news is that we commissioned the Ministry of Roads and Public Works, who estimated the bill of quantities to be Kshs5 million. So, we have Kshs5 million to be given to this *Jua Kali* shed.

Mr. L. Maitha: Mr. Deputy Speaker, Sir, I want to thank the Minister for that reply. But now that he says they still have Kshs5 million to give for the project, how much has been allocated in this financial year? He has given us a breakdown of the last two financial years. How much has

he committed this financial year for the project?

Dr. Kulundu: Mr. Deputy Speaker, Sir, the Kshs5 million that I mentioned was reserved for this financial year. It will be given in phases.

Mr. Khamisi: Mr. Deputy Speaker, Sir, this particular shed is not the only one that has stalled. I have one in my own constituency which has actually stalled. Could the Minister tell this House how many sheds he has built throughout this country? How many have been completed and how many have not for other reasons?

Mr. Kulundu: Mr. Deputy Speaker, Sir, we suffer from financial inadequacies. There were about 1,000 *Jua Kali* sheds nearly five years ago. But now, this number has dwindled to 349. This financial year we were given Kshs74 million. I do not think that we will do much, but we will increase the number from 349 to 369.

Mr. Deputy Speaker: Last question, Mr. L. Maitha!

Mr. L. Maitha: Mr. Deputy Speaker, Sir, the Minister has said that so far, Kshs4.8 million has been spent. I have been on the ground and I am not satisfied that the structure standing now is worth Kshs4.8 million. Could he tell us who is responsible for the construction of this structure because, in my opinion, the Kshs4.8 million has not been spent well?

Dr. Kulundu: Mr. Deputy Speaker, Sir, I agree with the hon. Member because an average shed should cost around Kshs5 million. I intend to visit this particular shed just to satisfy myself that the money they claim to have spent has really been spent on the project.

Mr. Deputy Speaker: Very well. Next Question by Mr. Kombe!

Question No.223

REGISTRATION OF SETTLEMENT
SCHEMES IN MAGARINI

Mr. Kombe asked the Minister for Lands and Housing when the following settlement schemes in Magarini Constituency will be registered:

Mizijini, Marafa, Shauri Moyo, Ramada and Pumwani Phase 2.

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

The five settlement schemes are among the 65 programmed for registration across the country in the next five years. Already, Shauri Moyo was completed in 2003/2004 financial year. The remaining four are to be titled and surveyed in the next four years.

Mr. Kombe: Mr. Deputy Speaker, Sir, it is quite disappointing to note that these schemes are well over 30 years old. What is involved in the registration of schemes in this country, such that it takes well over 30 years for a scheme to be registered?

Mr. Mungatana: Mr. Deputy Speaker, Sir, I share the frustration of the hon. Member. However, the law that we have currently forbids us from registering any scheme that we have finished adjudication on, if there is a single boundary dispute. I would like to inform the House that, in fact, the law states that all the disputes must be resolved first, before a single title can be registered. So, even if we have finished the ground work and there are complaints which come up afterwards, they must be sorted out first. For some time now, I have been chairing a committee. It has basically finished its work. We have forwarded our proposal to the Attorney-General. We need a particular section of the law to be changed as far as adjudication is concerned. Once this is done, we will immediately be in a position to release not less than 3 million title deeds once the Attorney-General and this House pass the necessary amendments.

Mr. Khamisi: Mr. Deputy Speaker, Sir, this matter is of great interest to us. Could the Assistant Minister give us, out of these 65 settlement schemes that are in the pipeline, a breakdown of where they will be established? Specifically, how many, if any, will be registered in Kilifi District?

Mr. Mungatana: Mr. Deputy Speaker, Sir, the Ministry took a policy decision, that we shall not start new schemes. We decided to try and finalise the schemes that are pending. The 65 settlement schemes that we are talking about are programmed for registration. I cannot give the number for the ones in Kilifi, but we intend to finalise them within the next five years. We want to make the problems associated with land adjudication a thing of the past. We also intend to bring new technology as far as mapping the country is concerned. Once we have this programme in place and the whole system is computerised and mapped on the GIS system, we will have very few problems.

Mr. Kombe: Mr. Deputy Speaker, Sir, this particular scheme has members who have to date paid up. The complaint from the then Assistant Minister, Mr. Ojode, was that my people were not paying. Today, I have well over 50 people who have paid and cannot get the title deeds to their parcels of land. What measures has the Minister put in place to ensure that those people who have already paid get their title deeds immediately?

Mr. Mungatana: Mr. Deputy Speaker, Sir, if I can have some time with the hon. Member, I will ensure that he gets the title deeds for those who have paid. This should be specifically limited to Shauri Moyo. I know that Shauri Moyo was completed. All we are doing now is confirming, through the Department of Survey, that the actual work that was done was in keeping with the acreage from the survey department. If the hon. Member could be a bit patient, we will be able to issue the title deeds for those people that have paid within two or three months from today.

Mr. Deputy Speaker: Thank you! That is the end of Question Time.
Next Order!

MOTION

SUPPLY OF ELECTRICITY BY PRIVATE INDIVIDUALS/ORGANISATIONS

Dr. Ali: Mr. Deputy Speaker, Sir, I beg to move the following Motion:-

THAT, in view of the fact that the Rural Electrification Programme has failed to adequately assist majority of the population in the rural areas, this House urges the Government to facilitate individuals/organisations to privately supply electricity where the Kenya Power and Lighting Company (KPLC) does not supply.

Mr. Deputy Speaker, Sir, the main intention of the Motion is for the Government to facilitate individuals or organisations who want to provide energy needs to the rural community of Kenya.

There are so many sources of energy, but we do not utilise them adequately. Energy is a crucial source in modern society. Everything that people do requires energy. Energy provides power for industries, cars, houses and food production in other parts of the world. For us, that is neither here nor there.

Mr. Deputy Speaker, Sir, as everybody here knows, there are several sources of energy, but we do not utilise most of them. We tend to fight over electricity and not bother with solar energy. We do not even utilise the wind energy which can be produced in most rural areas. Solar and wind can provide a lot of energy in Kenya, but it is under-utilised. Instead of striving to instal the national grid to all parts of this country, we can utilise sunlight in the semi-arid areas and wind in areas like Ukambani and some parts of North Eastern Province to provide electricity. There is a wind vane in

Marsabit District which literally supplies a third of the energy needs of Marsabit Town. If several of them were provided, we would not need generators which use a lot of fuel, which is also very expensive.

Mr. Deputy Speaker, Sir, nowadays, in North Eastern Province, most primary schools and health facilities use solar energy. The unfortunate thing is that the technical expertise is lacking. As a result, the capacitors which are supposed to be used dry up. This results into a lot of problems when repairs are not done. As a result of population growth and urbanisation, electricity supplies cannot reach most rural areas, the slums in Nairobi and other big towns.

[Mr. Deputy Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, electricity is very expensive and not affordable by the majority of Kenyans, especially in slums and rural areas. This is mainly due to energy generation deficit, the high cost of consumer connections and low network expansion. The national access to electricity as of 2004, stands at 15 per cent. Only 4 per cent of the rural population have access to electricity. I think that speaks for itself. This means that over 96 per cent of the rural population do not have electricity. How do we expect to change the lifestyle of Kenyans in the rural areas if they cannot access electricity?

Mr. Temporary Deputy Speaker, Sir, according to the Policy Paper of the Ministry of Energy, which was tabled in this House, and following the amendment of the Power Act in 1997, KPLC is the only licensed public electricity supplier. Under this Act, consumers were also required to finance extensions, purchase transformers, do sub-station metering and wire their premises. I do not know whether the Ministry was aware of how much a transformer costs when this Act was being passed. How do you expect Kenyans in the rural areas, most of whom live on less than a dollar a day, to afford to buy transformers and sub-stations? Apart from somebody being told to wire his or her house, he or she was supposed to provide the power lines and even the poles. This is impossible!

Mr. Temporary Deputy Speaker, Sir, all these things have the cumulative effect of raising tariffs, especially with the aim of raising revenue to fund electricity projects, which never happens. The little money which is got from these people is used to clear the shortfalls in the electricity supply. High tariffs have led to low consumption of electricity. Funds received from electricity have, therefore, been inadequate to allow for meaningful progress in electrification work. As a result, low income consumers, small-scale commercial and industrial enterprises have been marginalised. In this regard, the high electricity tariffs have become a dis-incentive to social and economic development, mainly in the rural areas.

Mr. Temporary Deputy Speaker, Sir, the Rural Electrification Programme (REP) was launched in 1973. However, according to the report of the Economic Survey of 2004, only 91,000 people benefited from this Programme. So, 31 years down the line, only 91,000 Kenyans have benefited from the REP. This shows that the Programme has failed and we should not expect it to do any better even if more money is pumped into the Programme. The breakdown of the beneficiaries of the REP, on regional basis, was as follows:-

Western Kenya region	-	44,554
Nairobi area	-	15,903
Mt. Kenya region	-	26,217

Coastal region - 4,395

The North Eastern Province was not even mentioned in this report. The beneficiaries in that region did not even reach 500 to warrant the area being captured in the survey. So, it means that the number of beneficiaries from the REP was very minimal.

Mr. Temporary Deputy Speaker, Sir, the Kenya Power and Lighting Company has partly been unable to function properly due to mismanagement and bad policies. For instance, in Wajir District, for the last 16 years, we have been told that the KPLC did not have enough money to buy a transformer. However, in the last six months, since a new regional manager was posted to the area and the former manager sacked, the KPLC managed to raise Kshs16 million in five months. So, if the KPLC is properly structured, wrong policies and favouritism removed, obviously, things will change for the better.

Mr. Temporary Deputy Speaker, Sir, the low penetration level of the REP is mainly attributed to the following reasons: Past mismanagement of financial resources and corruption, which resulted to little funds trickling down to the actual projects, the high costs of network expansion, the sparse nature of population densities; the scattered settlements and, high maintenance costs and operating losses.

Despite the high costs associated with the supply and distribution of power, the rural markets have not made economic use of the electricity mainly due to various factors. You are aware of the high poverty levels and many other problems affecting these communities. There is also lack of awareness.

Mr. Temporary Deputy Speaker, Sir, the Government prepared a draft national development policy which was launched in 2004, which seeks to address many of these issues. One of the things the Government wants to do, is to establish an autonomous rural electrification agency to accelerate the pace of rural electrification and to improve access to electricity to at least, 40 per cent of the rural population of Kenya by the year 2020, from the current 4 per cent. In order to meet that target, the Government has to provide electricity to, at least, 150 persons per year. If for the last 31 years, the Government managed to provide electricity to only 91,000 Kenyans through the REP, what miracle will it perform to supply electricity to 150,000 people per year? I think that is an impossibility. We should be realistic. It should try and encourage other organisations to get involved in this area.

Mr. Temporary Deputy Speaker, Sir, the Government proposed that alternative power generation and distribution systems be tried. I think that is a wrong statement; it should not be tried. The Government should allow independent alternative power generation and distribution systems. According to my research, a lot of people are interested in power production. For example, there is a place called Tungu Kabiru, where, with the help of an NGO called ICDG, the local community managed to start a micro-hydro project, which provides power to Kadhamba and Sima areas of the Mt. Kenya region. The NGO is in a partnership with community-based organisations (CBOs). It is estimated that there is a potential of producing 3,000-megawatts through micro-hydro electricity projects.

So, since there are already existing examples, I suggest that for those areas which do not have individual organisations willing to come up with money to help the communities produce electricity, the Constituency Development Fund (CDF) money be used to generate power in local rural markets in some parts of the country. My suggestion is that once a community applies to be allowed to generate electricity locally, it should be facilitated. The Government should not waste time dilly-dallying and giving excuses. If people are allowed to do that, they could be able to buy generators.

Mr. Temporary Deputy Speaker, Sir, the KPLC should not restrict anybody willing to

generate energy, so that we can be able to distribute electricity to our communities. Those people could in turn pay a token fee to the CBO that would have been formed in that marketplace. In the process, communities will get electricity and be able to manage themselves. They will maintain their generators and ensure sustainability of the project. Such an initiative will spur economic development in the rural areas. Small-scale industries and the *Jua Kali* sector will develop in those areas. I am 100 per cent sure that, in the process, such communities will develop. We will reduce poverty. In the long run, there will be development in this country. If we develop the rural areas, it will not be necessary for people to shift from rural areas to urban areas. Even the level of crime in the urban areas will reduce. Kenyans will change their lifestyle. They will also increase their productivity.

Mr. Temporary Deputy Speaker, Sir, I wish to state some strategies I have in mind, to accelerate the implementation of the REP. The expansion of access to electricity provides a means to promoting sustainable socio-economic development of rural communities. As I stated earlier, to accelerate this, the Government should allocate more financial resources, through the Ministry of Energy, towards provision of power and speeding up power generation projects such as the Ol Karia and the Sondu Miriu Hydro-Electricity Projects.

Further, the Government should establish the proposed Autonomous Rural Electrification Authority as the institutional framework for the implementation of rural electrification. The Government should also explore the development of small-scale hydro-electricity schemes, give financial incentives to promote the development and use of alternative sources of energy, such as wind, solar and geothermal, and provide a framework for cost-sharing between the Government and communities, taking into account the economic and social development of the regions.

I say that because, according to the Policy Paper, it is indicated:-

"Since the high cost of power installation has denied many Kenyans access to electricity, the Government has directed the Kenya Power and Lighting Company (KPLC) Limited to allow consumers to make payments through instalments at 50 per cent deposit, and the balance to be cleared in five years."

When the communities are supposed to pay 50 per cent of hundreds of thousands of shillings, how sure are you that they will manage to pay the other 50 per cent, even if you give them five or three years? It will depend on the resources of the communities living in these areas.

Mr. Temporary Deputy Speaker, Sir, I also wish to state that the Government should establish a conducive regulatory framework for independent power producers to enter the market. They should be allowed to develop private schemes for rural electrification. The distribution and transmission of electricity should also be financed through the Ministry of Energy, and not through bodies like KenGen and KPLC Limited. In the past, distribution and transmission of electricity has been characterised by corruption and mismanagement. The mistake the Government is making is forming so many organisations with so many employees. They put certain individuals in certain places, so that they can benefit. When they mismanage funds, no action is taken against them. I think we have seen that in this country many times.

Mr. Temporary Deputy Speaker, Sir, I hope the Minister will take this Motion very seriously. I know they are working very hard to allow others. The Ministry already allows institutions of Governments like primary schools, health centres and others, to be supplied with electricity by any supplier. The Government provides generators or even solar power. But the problem we have is that schools, hospitals and dispensaries have electricity. Yet, the communities who serve those institutions do not have electricity. My intention is that, once the Ministry allows us to provide solar energy, whether through the Constituencies Development Fund (CDF) or private investors, the communities around market centres will develop and support them.

With those few remarks, I beg to move and ask Dr. Khalwale to second.

Dr. Khalwale: Mr. Temporary Deputy Speaker, Sir, I stand to second this very important Motion. I wish that the Motion had included the issue of power generation. All the same, I still support it in its current form.

Mr. Temporary Deputy Speaker, Sir, it is a pity that hundreds of years after American scientist Michael Faraday discovered electricity, people in this country still go about their lives without electricity. I am afraid that, sometimes, we forget the obvious. We have forgotten the reason why electricity supply has not spread in as many areas as it should have in this country. We have forgotten that, that was a deliberate political policy that was used by previous Governments to ensure that there was no competition for supply and generation of electricity, so that they could corruptly access the resources that were locked in that particular area.

Mr. Temporary Deputy Speaker, Sir, the issue of competition is the only way we can have quality in electricity supply. It is the only way we can get speedy delivery of electricity. It is also the only way the welfare of staff of KPLC can be looked into. Lastly, competition is the only way we can ensure that the cost of power is affordable. I say that when I know that, today, as we speak, the mobile phone industry is a recent arrival in the market. But by virtue of the fact that, that area has been liberalised--- At inception of that industry, we were buying services at Kshs28 per minute. However, because of competition between Safaricom and Celtel, the cost has gone down as low as Kshs10. I am sure it is going to go down even further. It is important for the Government to learn from that and make sure that electricity production and supply is liberalised very quickly.

Mr. Temporary Deputy Speaker, Sir, may I mention the issue of monopoly within [**Dr. Khalwale**]

KPLC. I would like to say that, that issue was conveniently allowed, so that people could corruptly access resources. You all know that people in this country have made financial fortunes using resources at KPLC. You remember the former Managing Director, Mr. Gichuru, who became a financial mogul by doing business with the corporation. Time has come when such fellows who enriched themselves - paper millionaires - should be brought to book. They should be investigated and the fortunes which they reaped from the parastatals be given back to the public.

Mr. Temporary Deputy Speaker, Sir, the issue of monopoly must be condemned by all of us. That is because monopoly kills development. Monopoly in the KPLC is killing private enterprise. It is killing education and health. I say health because all the machines that are used in hospitals are powered by electricity. As a result of that monopoly, we have fluctuations and surges in power supply that damage machines in hospitals.

Mr. Temporary Deputy Speaker, Sir, education is being "killed" because the computer era is here with us. Without electricity, we cannot have computers in our institutions. Therefore, our children are still getting the archaic mode of education, instead of being exposed to computer education.

Mr. Temporary Deputy Speaker, Sir, by its own admission, the KPLC Limited has said that the burden of monopoly is too heavy. Hon. Members, you will remember that, once you pay for electricity, and your project is too big, KPLC Limited gives out tenders. That process leads to delays and, therefore, it takes a long time for a service that you have paid for, to be delivered. We must overcome this by liberalising and making sure that more than one entity generates and supplies power.

Mr. Temporary Deputy Speaker, Sir, I would like to emphasise the need for power generation. If we liberalise this sub-sector, a company like Mumias Sugar Company, which has a capacity that was demonstrated by its recent logging onto the national grid, will be allowed to go into core production. The end result will be that the price of sugar-cane purchased from our farmers

will go up. I believe that more jobs will be created if Mumias Sugar Company and other sugar companies go into core production.

Mr. Temporary Deputy Speaker, Sir, allow me to say something about the Constituency Development Fund (CDF) in relation to the Kenya Power and Lighting Company (KPLC). The other day, I paid the KPLC Kshs4 million to supply electricity to three primary schools and a health centre. After making the payment, I found that I was paying a whopping Kshs600,000 as VAT out of that money. Time has come for the Government to come up with a policy to waive VAT on electricity projects which are funded by the CDF. You can imagine how many classrooms I could have built with the Kshs600,000 I paid to the KPLC in the form of VAT.

The people of Kakamega, Vihiga and Migori districts earn their livelihood through gold prospecting. We hope that rural electrification will be speeded up so that we can have electricity in every rural area of Kakamega, Vihiga and Migori districts. This will give rise to the use of modern technology in exploiting the gold in those districts in large amounts. Time has come for the Ministry of Energy to come up with a policy which promotes alternative ways of improving the economy.

Mr. Temporary Deputy Speaker, Sir, I do not know why the Government does not see that there is gold in Ikolomani Constituency which is in Kakamega District. That constituency was named in recognition of the amount of gold available there. I come from the richest constituency in Kenya, and yet my people are poor because the Government wants them to remain poor. The Government should help my people to exploit that gold. We want to be the richest in this country. Kabete Constituency has nothing! They have the best in---

Hon. Members: Thugs!

(Laughter)

Dr. Khalwale: Thank you, Mr. Temporary Deputy Speaker, Sir. I did not want to say that. However, the poverty index in Kabete Constituency is artificial. I do not see any natural resource when I go there and yet we have pure yellow gold in Ikolomani Constituency.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to second the Motion.

(Question proposed)

The Temporary Deputy Speaker (Mr. Khamasi): I have received a request from the Government Respondent that he wants to make his position known. Therefore, Mr. Assistant Minister, could you make the Government position known?

Mr. Mwenje: On a point of order, Mr. Temporary Deputy Speaker, Sir. Although I agree with your ruling, I thought that it would be in order for hon. Members to contribute first before the Assistant Minister can respond. I think it is a little bit too early for him to make the Government position known.

The Temporary Deputy Speaker (Mr. Khamasi): Mr. Mwenje, you know the rules of this House. There is nowhere where it is written that the Government Respondent must respond at the end of the debate. You are anticipating what the Assistant Minister will say. You do not know whether he will support the Motion as it is or not. So, I have given him the opportunity to make his position known!

The Assistant Minister for Energy (Mr. Kiunjuri): Thank you, Mr. Temporary Deputy Speaker, Sir, for your guidance. Sometimes, hon. Members criticise something because of their failure to read the information which they have been provided with.

First of all, hon. Members are supposed to peruse Sessional Paper No.4 on Energy which

was laid on the Table in 2004, so that they can understand what it contains. If they had done that, they would have realised that its contents address all the concerns of this Motion. Consequently, I have to come and listen to hon. Members, who criticise the Government just for the sake of criticising it or because they have not read and understood the contents of that Sessional Paper.

It is very clear that this Motion is in line with the Sessional Paper No.4 of 2004. That Paper is in total agreement with what the Mover of this Motion is requesting the Government to do. We are supposed to look at the Sessional Paper and find out whether there is any extra information which can be provided. Hon. Members had an opportunity to read that Sessional Paper. Already, we are in the final stage of drafting the Energy Bill. The Draft Bill was discussed last week and we will present it to the Committee on Energy, Communications and Public Works. If hon. Members want to have a seminar so that they can look at the Draft Bill, they are welcome so that we can have a Bill which will assist this country not just today but also in future. The only way that the Government can respond to the needs of its citizens is by listening to them. The ideas being advanced by hon. Members are of great importance to all of us.

Mr. Temporary Deputy Speaker, Sir, this Government supports this Motion. This is in line with the global policies, such as the private public participation. We have been participating in these seminars. There was a workshop in Cape Town, which I attended a month ago and the Government position was stated clearly. We are encouraging that. We have addressed this issue in international forums and I do not see the reason why we should not address it nationally.

It is true that the pace of implementation of the Rural Electrification Programme has been slow considering that currently only about 4 per cent of the country's rural population has access to electricity since the establishment of the programme in 1973. However, it should be noted that the former Government was not keen at all to let anything go, including what was to benefit the country. However, this Government is ready to let Kenyans participate in all other ventures of economic improvement of this country. Despite this poor performance, the Government is fully committed to enhancing rural electrification in the rural areas in order to create the necessary conditions for achieving the desired rapid economic growth, wealth, employment and reduced poverty. To this end, late last year, this House passed Sessional Paper No.4 on Energy which outlines policies and strategies to facilitate achievement of the desired goals in the energy sector.

In the Rural Electrification Programme, one of the strategies to be pursued is to encourage development of increase in areas far away from the national grid network with a view of supplying electricity to the local population as highlighted in Section 6(1)(3) of the Sessional Paper No.4 on Energy. Under this strategy, consideration should be given towards providing one of the financial subsidies to local communities or private sector for purposes of establishing mini-grids so long as such projects will be economically viable and relative to the national grid extensions.

In this regard, hon. Members are requested to note the following; and this is very important.

(i) In the year 2004/2005, the Ministry of Energy committed Kshs24 million towards provision of two new diesel generators for the existing community-owned diesel mean grid in Mpeketoni Town in Lamu West Constituency in Lamu District to improve supply of electricity to existing consumers in the town and to facilitate connection of new customers. This is not a Government project. But the people of Mpeketoni came to us with their proposals and we are now funding a privately-owned power producer.

(ii) Upon request by the Member for Lamu East Constituency in Lamu District, the Ministry of Energy has agreed to provide funds for purposes of purchase of poles and cables for the proposed privately-owned diesel mean grid in Faza Island in the constituency. A study is in the progress to assess the cost of the proposed mean grid, out of which the Ministry of Energy will finance poles and cables while the owners will purchase the generators. This is not an exception to Lamu, but any

other constituency can do the same. For example, hon. Billow approached us, and despite being a critic of this Government, his people have a chance of benefitting. We have asked him to bring a proposal. So, any Member who approaches us will be assisted.

Mr. Wamwere: Is that the policy?

The Temporary Deputy Speaker (Mr. Khamasi): Order!

The Assistant Minister for Energy (Mr. Kiunjuri): Mr. Temporary Deputy Speaker, Sir, the policy is very clear. You have to work. You cannot just sit down without bringing proposals and expect the Government to help you. We are doing what we can as a Government, but we are also encouraging proposals from Members.

Capt. Nakitare: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the Assistant Minister in order to tell hon. Members that they just sit down waiting for him to work for them?

The Temporary Deputy Speaker (Mr. Khamasi): Order! Capt. Nakitare, you know, you have gone on record as one Member of this House who stands up on a point of order and we never hear it? That was not a point of order, at all!

Proceed, Mr. Kiunjuri!

The Assistant Minister for Energy (Mr. Kiunjuri): Mr. Temporary Deputy Speaker, Sir, we have been very kind to Members. At least, we listen to them. If you ask hon. Sudi or hon. Sambu, they will tell you that there were days that Members could not be listened to. So, we are very kind.

Mr. Temporary Deputy Speaker, Sir, the Ministry of Energy is preparing a programme for concessioning, through the private sector, the existing Government-owned diesel mean grids located at Mandera, Wajir, Moyale, Marsabit and Lodwar towns to facilitate improvement and extension of electricity supply to these towns. The Government has also taken initiative to make sure that whoever is close to the power line and transformer, gets power. For example, we have started a programme of transformer maximisation, which ensures that anybody near a transformer will benefit from it. If you are 600 metres away from a transformer, you only have to pay between Kshs21,000 to Kshs40,000 to be connected, depending on whether it is single or three-phase connection. We have also started a programme called *Umeme Pamoja*, which is also enabling communities to apply to Kenya Power and Lighting Company (KPLC) directly for power supply.

Mr. Temporary Deputy Speaker, Sir, it should also be noted that three years ago, when one requested for power supply, the least amount charged for one pole was Kshs45,000. So, we are speeding up connections despite problems here and there, especially on supply. The performance contract policy is also with us and, therefore, we are making sure that those who are charged with the responsibility of connecting people with electricity will have to do their work.

Mr. Temporary Deputy Speaker, Sir, I also want to encourage hon. Members to use Constituency Development Fund (CDF) allocations to supply electricity. Those Members who think that their constituencies are so much left behind and they would like to have a joint venture with the KPLC can always approach us. But before they do that, hon. Members have to do one thing for themselves. They have to pass the Energy Bill which is on the way. Therefore, I am requesting Members that, even if we have to prolong sittings of the House, let us do it so that we can pass the Energy Bill soon so that we can implement policies with the proper guidance of this House.

Mr. Temporary Deputy Speaker, Sir, the foregoing clearly shows that the Ministry has already began to address the concerns of the proposed Motion. I wish to thank the hon. Member for showing concern for the many Kenyans who have not been able to get electricity. I would like to assure the House that my Ministry will continue with the efforts that have began towards supporting private community-owned distribution of electricity, and hope that Members will not be harsh to the Government, for it has already taken care of their concerns.

With those remarks, I beg to support.

Mr. H.M. Mohammed: Asante sana, Bw. Naibu Spika wa Muda. Nimesimama hapa kuunga mkono Hoja hii ambayo ni nzuri sana. Wengine wetu hatujaona stima. Tumeona stima wakati tumekuwa watu wazima.

Bw. Naibu Spika wa Muda, stima ni kitu muhimu sana ambacho kinaleta mambo mengi ya maendeleo katika nchi. Kwa hivyo, mradi huu wa kuwapatia watu binafsi kazi ya kuuza stima umechelewa sana. Tumeachilia kampuni ya KPLC ifanye kazi yote kwa miaka mingi na imeregea kwa sababu kazi yoyote ikikosa mashindano inaleta udhaifu. Ni muhimu watu binafsi wakubaliwe kusambaza huduma za stima katika sehemu ambazo kampuni ya KPLC haiwezi kuzihudumia.

Bw. Naibu Spika wa Muda, nikizungumzia sehemu ambayo nimetoka, ikiwa ni Mkoa wa Kaskazini Mashariki, stima inapatikana katika miji mitatu peke yake; Garissa, Wajir na Mandera. Hiyo siyo ile stima imeunganishwa na ile ya national grid. Ni stima ambayo inaendeshwa na jenereta ya diseli. Unajua wazi kwamba hiyo generator ikiendeshwa kwa saa 24, siku saba kwa wiki, siku 30 kwa mwezi na mwaka mzima, inaharibika haraka zaidi. Watu wa Dujis wako na shida nyingi sana. Jenereta ikiendelea kufanya kazi kwa muda mrefu, huharibika mara kwa mara. Mwaka jana tulikuwa na matatizo mengi sana wakati jenereta ilipoharibika na watu wengi sana wakafa hospitalini. Ningetaka kuishukuru Wizara kwa kutupatia jenereta mpya na sasa hali ya maisha katika Garissa si mbaya sana.

Bw. Naibu Spika wa Muda, Waziri Msaidizi amesema kwamba zile sehemu ambazo ziko mbali haziwezi kupata stima. Kama kuna sehemu ambazo ziko mbali, ingefaa Serikali iseme kwamba haiwezi kuziongoza. Serikali inafaa kuongoza nchi hii kutoka Nairobi mpaka Moyale na Mandera na kama inaona kama kuna sehemu ambazo ziko mbali, izitoe kwa Ethiopia, Somalia au Uganda. Kama Serikali inataka kuongoza nchi hii vyema, ni lazima ipeleke stima kila mahali. Hakuna sehemu ambayo iko mbali. Hizi sehemu zote ziko katika Kenya. Jambo la kusema kuwa kuna sehemu ambazo ziko mbali haliwezekani.

The Assistant Minister for Energy (Mr. Kiunjuri): On a point of order, Mr. Temporary Deputy Speaker, Sir. I have a lot of respect for the hon. Member and I would not even wish to waste his time. However, is he in order to say that the Government has said that some sections of this country are too far? The Government's presence is being felt in every corner of this country. How can the Government complain that some areas are too far while it is already being represented there?

Mr. H.M. Mohamed: Bw. Naibu Spika wa Muda, nimemsikia Waziri Msaidizi akisema kuwa sehemu ambazo ziko mbali haziwezi kupata stima!

The Assistant Minister for Education, Science and Technology (Mrs. Mugo): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to mislead this House? His Excellency the President went to North Eastern Province and launched massive development projects in the field of electricity, education and health.

Mr. H.M. Mohamed: Bw. Naibu Spika wa Muda, Dagoretti ni karibu sana kutoka Nairobi na stima inaweza kufika huko kwa urahisi sana. Mimi ninazungumza kuhusu Moyale, Marsabit, Wajir na Leboi.

The Assistant Minister for Education, Science and Technology (Mrs. Mugo): On a point of order, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mrs. Mugo! Continue, Mr. H.M. Mohamed!

Mr. H.M. Mohamed: Bw. Spika wa Muda, Mji wa Garissa uko karibu na Nairobi kuliko Kisumu au Mombasa na stima haijafika huko. Stima imefika Mji wa Mwingi, amba uko kilomita 150 kutoka Garissa. Hatuwezi kuendelea na huo mchezo, ambao umekuwa ukiendelea kwa muda

wa miaka mingi sana. Tukiendelea na huo mchezo, sehemu kama vile Bura na Mwingi South, zitaachwa nyuma. Stima inasaidia watu wengi sana. Kwa hivyo, ningetaka stima ipelekwe Garissa. Tunaishukuru Wizara kwa kutupatia jenereta; kwa sababu sasa tunapata maji kwa kutumia hizo jenereta. Tunataka stima ipelekwe Garissa.

Bw. Naibu Spika wa Muda, ni aibu sana kwa Wakenya wengine kutumia kuni na mafuta ya taa katika karne ya 21. Watu ambao wanapata stima katika nchi hii ni asilimia 4 peke yake. Kenya si nchi maskini. Kenya ni nchi tajiri lakini pesa zinatumiwa kwa njia ambazo hazifai. Wananchi wanafaa kupelekewa stima ili waweze kufanya biashara ndogo ndogo, kunyunyuzia mashamba yao maji na biashara nyingine mbali mbali.

Kwa hayo machache, ninaunga mkono.

Archbishop Ondiek: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to contribute to this important Motion.

We appreciate the fact that the Kenya Power and lighting Company (KPLC) is doing a good job, but there is something that it has forgotten to do. Electricity is being installed in particular areas. Indeed, the way it is being done leaves one to wonder whether it is being done for individuals.

The Assistant Minister for Energy (Mr. Kiunjuri): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member in order to insinuate that the Government has continued with the bad behaviour of allocating power on *ad hoc* basis where you only install power for the benefit of certain individuals? It is evident that we are distributing power equally in this country.

Archbishop Ondiek: Mr. Temporary Deputy Speaker, Sir, I know that the hon. Assistant Minister is just trying to waste my time. He knows very well that there are certain areas where you will find electricity at a certain corner, the middle is skipped while the other side has electricity, although there are so many consumers within that area. Electricity is being connected to institutions leaving all the other consumers in the middle without electricity. I am trying to remind the Assistant Minister, so that he can correct that anomaly. This is a real problem.

The way the Ministry is doing its feasibility study is not proper. The Ministry should conduct proper surveys, so that when it is installing electricity lines, electricity serves all the consumers within a particular area. The Assistant Minister knows very well that a year ago, electricity was supposed to be installed in my constituency. The transformer was erected, but to date, there is no electricity there. The Minister is very much aware of this and nothing is being done. Whenever you insist to be told what is happening, you are told that there is a problem with the transformer. I do not know why the Ministry should start a project when it is not ready to provide all the necessary equipment.

Mr. Temporary Deputy Speaker, Sir, sometime ago in Siaya District, 60 people went round collecting funds in every location and sub-location for installation of electricity. So far, nothing has been done. That money was collected five years ago, yet nobody is saying when the electric power will be installed. Whenever we ask about it, we are told that there is no work going on.

The system being used for rural electrification is becoming very expensive. How do we expect an ordinary man in the rural area to afford Kshs50,000 or Kshs100,000 for installation of electric power? Five years ago, electric power installation was done using Kshs1,500 per person within the rural areas. That was during the previous regime, but with the current regime, a single installation of electricity used to cost up to Kshs80,000. Before electricity is installed, one has to look for about 80 people to contribute Kshs2.4 million for power to be installed. The Government has been using a popular slogan; *stima ya umeme* which I do not know. There is a language being used that I do not even understand.

The Temporary Deputy Speaker (Mr. Khamasi): Could I help you Archbishop Ondiek?

Archbishop Ondiek: Yes, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Khamasi): The slogan is *umeme pamoja*.

Archbishop Ondiek: Thank you, Mr. Temporary Deputy Speaker. The slogan is "*umeme pamoja*." Those officers concerned with rural electrification give people forms upon which they have to pay money. After that, they do not do anything about installing power. I know that there are about 100 people in Siaya Town who contributed Kshs25,000 each for the installation of electric power but up to now, we have seen nothing. We do not know whether those who are supposed to be doing the installation are serious or not. I urge the Assistant Minister to try and find out what is happening in their system to stop them from doing their work. Electricity is very important to people. It is just as important as water. Electricity can also help curb the problem of terrorism. We know that there are areas where there is a lot of thuggery. If those areas were provided with electricity, it would help many people. The introduction of computer studies in most of our schools cannot succeed if there is no electricity. Without electricity, it is very difficult for boarding schools and any other institution to survive. It is important that we install electricity in the rural areas because that is where most of our institutions are set up.

I urge the Minister to try his best to install electricity in rural areas as planned.

With those few remarks, I beg to support!

Mr. Wario: Ahsante Bw. Naibu Spika wa Muda, kwa nafasi uliyonipa ili nichangie Hoja iliyo mbele yetu. Ninakumbuka ubeti mmoja wa Mshairi, Mtuvi akisema; "Uhuru sijauona na tunda silibaini. Ijapo tulipigana na tukaondoa mkoloni, imebaki kubezana na utu kutota mimi. Tunda la Uhuru ni lipi na Mkenya shamba huna?" Nimekumbuka ubeti huo kwa sababu miaka 40 imepita tangu tupate Uhuru wetu, lakini bado tunaishi gizani.

Watoto wa Wilaya ya Tana River wanapoonna mwangaza wa stima huuliza; "Je, hii ni gololi?" Hii ni kwa sababu hawaujui. Maskini wamesherehekea miaka 40 ya Uhuru. Wilaya ya Tana River iliachwa gizani na mkoloni, kisha akaja Hayati Rais Jomo Kenyatta na akaiacha katika giza hiyo hiyo. Baadaye, alikuja Rais mstaafu Moi na akaiacha Wilaya hiyo katika giza hiyo. Hivi majuzi, Serikali ya Kibaki ilitupatia Kshs4.5 million chini ya mpango wa Rural Electrification kwa mji wa Madogo. Watoto wa Madogo wako karibu kujua kwamba stima si gololi. Ningependa kumshukuru Waziri na Serikali kwa juhudi hiyo ndogo. Umeme utakaposambazwa katika sehemu za mashambani, utatoa nafasi za kazi kwa sababu utaleta taaluma mbalimbali. Hii itatoa nafasi za kazi na kuchangia pakubwa katika upunguzaji wa umasikini katika sehemu hiyo.

Namshukuru aliyelea Hoja hii kwa sababu itagusia maisha ya watu wangu katika kila nyanja. Umeme unachangia kwa namna kubwa katika kuleta usalama katika nchi.

Bw. Naibu Spika wa Muda, kawi ni rasilimali muhimu katika karne ya leo. Jambo lolote ambalo tunataka kutekeleza, tunarudishwa nyuma kwa sababu ya kawi.

Kuna wakati viwanda vya humu nchini viliathiriwa na uhaba wa umeme. Watu walipimiwa umeme na wenye viwanda wameanza kulalamika. Wenye viwanda walipopimiwa umeme na kuambiwa kuwa wangepata umeme kwa saa nane au kumi wakati wa mchana walilalamika. Nataka kuwaambia wawakumbuke watu wa Tana River ambao wameishi kwa miaka 40 bila umeme. Wenye viwanda wanateta, lakini je sisi tulioishi miaka 40 gizani, hali yetu itakuwa namna gani?

Bw. Naibu Spika wa Muda, ili nchi ifaulu, lazima tuwe na viwanda vya kujisimamia. Kufaulu kwa viwanda vyetu kunategemea kawi. Leo elimu yetu haitakuwa na maana kama hatuna ujuzi wa tarakilishi. Ili tuweze kuendesha masomo ya tarakilishi, ni lazima tuwe na umeme. Je watoto wa Tana River watashindana na watoto wengine vipi? Kule hatuna umeme. Sasa ndio tunaota ndoto hiyo na ninafikiri tutapata umeme hivi karibuni.

Bw. Naibu Spika wa Muda, umeme nchini Kenya ni kwa wenye nguvu. Kwa ujumla, ni asilimia 15 ya Wakenya ambao wamepata umeme. Asilimia 85, wakiwemo kwa ujumla watu wa Tana River, hawana umeme. Tutakalo sisi siyo sera tu! Wakenya ni wazuri kwa kuchora mipango

na kuzungumzia sera. Lakini utakapowaleta kwa maswala ya utekelezi, wanatekeleza chini ya asilimia 15. Mambo ambayo Waziri Msaidizi amezungumza hapa yanafurahisha. Ni mazungumzo mazuri na sera nzuri. Je, ni lini yatatekelezwa? Ningependa kumfahamisha Waziri Msaidizi kuwa ni kweli alileta sera hapa, tumeisoma na ni nzuri. Pia tulichangia Mswada hapa Bungeni. Imechukua muda na ni lazima Waziri Msaidizi apige hatua atuambie kuwa ametekeleza jambo fulani. Hatutaki sera wala mazungumzo kila wakati. Tunataka umeme huko Tana River. Tutapata umeme wakati Waziri Msaidizi ataleta Hoja ya umeme kwa minajili ya watu wa Kenya. Sasa ni lazima tutoke katika hekaya za Abunuwasi za kila asubuhi na tutekeleze sera na sheria tanazopitisha ndani ya Bunge hili.

Nitazungumzia chimbuko la umeme kukiwemo mafuta kama petroli na makaa. Asilimia 68 ya Wakenya wanategemea kuni. Hii inathibitisha umasikini uliowakumba watu wetu. Ni vipi Waziri Msaidizi atapiga hatua ili asilimia 68 ya Wakenya wanaotegemea kuni leo waweze kupata kawi ya aina nyingine ikiwemo upepo, jua na umeme ili watu wetu wanufaike kama watu wengine katika sehemu zingine za dunia?

Bw. Naibu Spika wa Muda, kupeleka umeme sehemu za mashambani ni hatua kubwa ambayo sote tunaunga mkono. Tunapozungumza leo, hali ya elimu katika sehemu za mashambani ni duni. Mtoto atokaye sehemu za mashambani hawezi kunufaika kama mtoto anayetumia umeme na vifaa vingine katika utafiti wa elimu yake.

Kwa hayo machache, ninaunga mkono Hoja hii.

Mr. J.M. Mutiso: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to support this Motion proposed by Dr. Ali, which intends to liberalise the power sector.

For the record, this is the second time in this House to have such a Motion by an hon. Member under the Private Members' Motion. The first Motion was proposed by the former hon. Member for Nithi, Capt. Ntwiga. He brought a similar Motion to this House to propose individuals or organisations to provide power alongside the main power company; the Kenya Power and Lighting Company (KPLC). By and large, I have noticed that not a day passes by in this House without us having to dwell on the issue of the Rural Electrification Programme (REP). In fact, about one to two per cent of the time of this House is spent on issues concerning electricity in this country.

Mr. Temporary Deputy Speaker, Sir, I strongly support this Motion. It is high time that the Government shifted from mere rhetoric to real action to provide power to our people. A Sessional Paper is not enough. I agree with Mr. Kiunjuri that the intentions of this Motion have been captured under Sessional Paper No.4, but that is not enough. Mere public statements by the Government are not enough. We need to put a structure, an institutional framework to put these pronouncements into place.

I would like to compare this policy Motion to what happened to the telecommunication sector, particularly Telkom Kenya. We know that since 1963 the telecommunication sector had been controlled. It was a monopoly controlled by Kenya Posts and Telecommunications Corporation (KPTC). With the opening up of this sector and the presence of other service providers such as Safaricom and Celtel, we can see that we have, at least, a lot of users. In fact, Kenyans can now enjoy the services of mobile service providers countrywide. So, if we have to achieve the goal of having electricity in 20 per cent of the rural areas by the year 2020, this is the right direction. However, I would have urged the hon. Member to consider this to be a legislative Motion rather than a petitionary Motion to the Government. This is because, after this Motion is passed, it will go to the archives to gather dust. Nobody will be able to revisit it to give it its face.

Mr. Temporary Deputy Speaker, Sir, I would like to say that our power sector has been controlled by donors, particularly the World Bank. The power sector in this country under the Kenya Power and Lighting Company (KPLC) has been World Bank driven. Currently, the KPLC,

being the monopoly it is, is unable to deliver services to consumers. Even those who have paid, are not able to get the connections within the time they have applied. Therefore, the question begs: What else for KPLC? I would like to go on record that KPLC is a cash-cow. It is controlled by cartels of suppliers. It is a cash-cow for those who are well connected in Government. Therefore, even contemplating reforming KPLC, is a pipe dream.

Mr. Temporary Deputy Speaker, Sir, recently, I spoke to Mr. Nyachae and he told me that KPLC has Kshs3 billion in form of dead stock. This includes equipment such as transformers which will never be used. Therefore, no matter how many changes we try to bring to KPLC, it will all be in vain. The World Bank has come on board. They said they have brought a package of Kshs4 billion with four expatriates who will run KPLC. The officials of KPLC are all corrupt to the marrow. The KPLC requires a radical surgery.

Mr. Temporary Deputy Speaker, Sir, coming again to the issue of independent power producers, this was a concept brought about by the World Bank. We have these independent power producers who are even now providing power through the power purchase agreements. The cost for this is 100 times more than the average cost in the region. Mr. Temporary Deputy Speaker, Sir, that is a scandal which needs to be investigated. We have companies which have been providing power to Kenya Power and Lighting Company (KPLC) like AGRECO, IBERAFRICA and others, which fall under the Independent Power Producers (IPPs). Unless we address those problems, we are not going to have anything as far as the cost of power in the region is concerned. Investments are driven by the cost of power. The cost of doing business in Kenya is very high on account of high power costs. Therefore, I propose that we need to allow independent and individual organisations to provide power to our people.

I would also like to comment about Arid and Semi-Arid Lands (ASALs). I represent Kilome Constituency in Makueni District and, for your information, it is the second poorest district after Homa Bay. If you look at the power distribution in my region, it is very scanty and yet, the region is plagued by insufficient food supply, chronic hunger and famine. Therefore, we need to provide farmers in Kilome with power. We have cotton and coffee farmers. My constituency was lucky to get electricity by default. The first time was when the President was visiting one of the schools in a neighbouring region; Precious Blood Girls, Kilungu. When the Bishop requested the President to provide power to the school, it was pulled from about 20 kilometres up to there, with total disregard to the neighbouring regions.

I would like to say, and NARC can come up and absolve me from that, that today, even when you are promised by the District Development Committees (DDCs) or given a word of commitment by the Government, we cannot have power supply to those regions, unless we are politically correct. Therefore, I ask this question: Are we developing this country on political grounds or economic potentials? That is a question which should be answered. Look at the Constituency Development Fund (CDF), there are limitation of providing money for electricity. You can only use 10 per cent of the allowable amount on any single project. To have a project benefitting about 20 or 30 people, you require more than Kshs5 million. The highest allocation per constituency, maybe, is not more than Kshs40 million. That means 10 per cent of that is Kshs4 million. So, how many people can get electricity using funds from CDF? Therefore, the issue of saying that we use CDF to provide electricity is just a theoretical statement.

Mr. Temporary Deputy Speaker, Sir, again, there is the issue of charging Value Added Tax (VAT). There is a rule under the international agreement that a pro-poor programme should not be taxed. It is only in Kenya, which is South of the Sahara, where we have pro-poor programmes being charged taxes. It is a big shame for the NARC Government. The Minister for Finance should move with speed and abolish that tax. The issue of pleading with the Government to remove VAT on

electricity is immoral. The Minister should come and give a policy directive that all electricity-connected projects should not be charged VAT or any other tax. That is not a favour, but a right for our people. They found themselves in the state that they are in today; that of poverty because of mal-administration and plundering of this economy. I do not want to pass the buck to the previous regime. All of us are to be blamed in the game of corruption, because it takes two to tango. A bribe is passed from one person to another. Therefore, let us have action on that front.

With those few remarks, I beg to support.

Mr. Sambu: Thank you, Mr. Temporary Deputy Speaker, Sir. In supporting this Motion by Dr. Ali, I want to make a few comments.

The crucial issue here is that this House urges the Government to facilitate individuals and organisations to privately supply electricity where KPLC does not supply. I agree with the previous speakers who have said that urging the Government is not good enough. We should make provisions of the law to revoke the Electricity Generation and Distribution Act. In 1997, we passed the Electric Power Act which allows private generators to supply power and that is how the independent power providers came on board. However, we did not do enough because if we allowed investors in areas with enough rainfall and rivers which sometimes cause flooding, people could be able to dam rivers on small-scale basis and generate and supply power.

Mr. Temporary Deputy Speaker, Sir, the major problem is the high taxation on the items. A transformer is not a complex item. It composes of the wires which bring in the power, copper wires which supply power and oil for cooling it. However, you find that a small transformer of 50 KVA which is just for lighting houses is being sold at about Kshs2 or 3 million. So, I concur with the previous speaker who said that we cannot even use CDF for rural electrification. This is because of two reasons. One, monopoly has been given to KPLC. KPLC was rotten to the core in the previous Government and even in the present one. I used to say it from that side and now I say it from this side. It is rotten! If you look at how much money it has collected from Kenyans, not just recently but 10 years ago, it runs into millions of shillings. Kenyans have not seen any power and yet KPLC is given the monopoly to import transformers. They get a transformer worth Kshs100,000 and when they now bring it down to supply the people with electricity, they say that it will cost Kshs2 or 3 million. Cables are manufactured here in Nairobi. We, who do a little business here and there, know that, that is not the cost. What KPLC charges the people is very high and we have to control it.

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

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

Mr. Temporary Deputy Speaker, Sir, if we have to help our people get power easily, then we have to remove all duties on transformers and cables. Who says that we have to use poles? We can erect angle lines which are welded properly, provided they are the right insulators and supply the power. I understand we are now importing blue gum poles from South Africa. It is a shame because poles last a maximum of 10 years and then you need to change them. We can use steel. I have always said that down here in Kitui, coal and iron ore exist. Instead of importing the steel trusses we need, we could manufacture them. We have to remove all duty, including VAT on transformers meant for public utility.

In areas where the national grid exists, you find a high tension line passing overhead but people cannot afford to step it down because KPLC will tell them that the transformer costs Kshs3

to 4 million. They further tell people that installing the cables for lighting, that is single phase, costs Kshs32,000. If it is three phase, it costs 40,000 and yet it is just over the house.

Mr. Temporary Deputy Speaker, Sir, let this Government take the initiative if it wants to create those jobs as they promised, because if we provide electricity to our people, then they will do welding jobs, fabrication of doors, frames and things like that. For those areas where the national electricity grid has not reached, importation of power generators should be tax free. For example, if somebody wanted to start an abattoir today in Moyale, why should Excise Duty be levied on the power generators? The power they generate could be sold to other residents. If schools want to buy small power generators, why should they be charged Excise Duty and Value Added Tax (VAT)? We have to realize that our people will not develop if we are going to impose all these taxes on them.

Mr. Temporary Deputy Speaker, Sir, I would like to talk about something which concerns the national electricity grid; maximization in terms of utilization of electricity. For example, you will find high tension power lines extending for many kilometres, passing several towns and schools, and nobody is stepping it down and utilizing it. People go to read electricity metres of a few consumers every end of the month, but even the money they collect from the few consumers cannot cover the costs arising from the cars used doing that work. That is why I still insist that we need to have power step-down transformers so that they can maximize the use of power, because Kenyan taxpayers, wherever they are, have paid the Kenya Power and Lighting Company (KPLC) for it. Therefore, we have to maximize the use of electricity by installing as many transformers as possible.

I would like to suggest that we should bring a Bill to amend the Electricity Supply Act so that whenever we are using the Constituency Development Fund (CDF) to purchase step-down transformers, then there should be no Excise Duty or VAT charged. People should even be free to erect electricity poles of their choice, provided that they meet the specifications required by the Electricity Supply Act. They can even use angle lines, steel or something like that. Mr. Temporary Deputy Speaker, Sir, we want an audit to be done on the funds which are collected by the KPLC. Action should be taken on those who collected the funds because they used to tell the people that they should pay 10 per cent in order to be supplied with electricity. Many Kenyans paid the 10 per cent deposit thinking that they would be supplied with electricity. But several years down the line, they are being told that there is no electricity now and that, there is something called *umeme pamoja*. They have forgotten about the money they collected from the people. Why does the Government allow this to happen? Even if there is a new Government in place, the Government is perpetual; it is a succession and it does not end! The Government, either through the Controller and Auditor-General or Mr. Ringera's organization, should investigate this matter. For example, I know one area in my constituency where the people collected Kshs680,000 in 1998 and paid it to the KPLC and when they asked for power, they were told: "No, rural electrification is no more; we now have *umeme pamoja*." When they ask where their money is, they are told *umeme pamoja* or *stima pamoja*; I do not know which is which. I know that *umeme* means *stima*. So, they are told that the money is not there and they have not been supplied with electricity.

Mr. Temporary Deputy Speaker, Sir, I want to end by stressing that we have to allow the importation of power generators, transformers and poles duty free and Value Added Tax (VAT) free, so that those areas without power can also be supplied with electricity.

With those few remarks, I beg to support.

Prof. Mango: Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to add my voice to this important Motion. As I leave Nairobi going to Butula, things darken. By the time I get to Butula I am in total darkness. I expected that after 40 years of Independence, this scenario would

have changed. The idea of REP was very good, but it seems to have served certain areas only. Those areas that have remained in darkness are being punished. People are told they can only access power on customer creation. Many of our people cannot afford it. The Government should redress this inequality. Many of the areas that were "well-placed politically" got free electricity under the REP. Does it mean that those that remained behind will never access electricity? That leaves such areas highly disadvantaged. We cannot compare a child who is schooling in Butula where there is no electricity to one who is in Alliance High School, where he can study for 24 hours, if he chooses. The one in Butula is limited to the sun. Once the sun sets, that child cannot do any more reading. That leaves such areas highly disadvantaged and yet, we are in the same nation. It is a pity that we all pay taxes, but we are not accessing the same services. The Minister for Energy should consider those areas without electricity and redress that problem.

Mr. Temporary Deputy Speaker, Sir, without electricity there is no way we can create more job opportunities because nobody will be able to do welding or any of the *Jua Kali* kind of jobs. That leaves such areas again, disadvantaged as far as jobs are concerned. They cannot do much.

Lack of electricity also impacts negatively on health. Without electricity we cannot store vaccines and many other drugs that need refrigeration. That also applies to services like Artificial Insemination (AI). They need refrigeration. Therefore, without electricity, we cannot refrigerate anything. Therefore, health services are also affected.

Mr. Temporary Deputy Speaker, Sir, this customer creation, as much as it is supposed to serve people, many of them cannot afford the Kshs32,000. It is high time the Minister for Energy came up with a scheme to take care of Kenyans instead of telling them to work together and raise money. In many areas in Kenya, including Butula Constituency, people are so poor that they cannot raise the Kshs32,000 to get electricity in their homes. Does it mean that they will remain in darkness forever? In areas where we grow sugar-cane, factories can co-generate electricity. But when they do so, it is put on the national grid, hence leaving out the cane farmers. Again, where companies co-generate, they sell their power at very low prices. That is another way the Kenya Power and Lighting Company (KPLC) has been sabotaging these areas. It does not want the companies to co-generate, so that the farmers can also gain as well as create more power for the nation. In this country, we always have a shortage of energy. Therefore, the millers should be encouraged to co-generate, so that we can have more supply of electricity. That electrification should start in the areas that grow cane, so that the farmers there can also benefit. But what happens in most cases is that, when there is electricity generation, it is put on national grid. It passes by the areas and the residents are left in darkness. We need to address some of those issues, so that every Kenyan can enjoy those facilities. Electricity supply should not just be a preserve of the few developed places. Another hon. Member said earlier on that when you come from areas that have been left behind in development, you do not seem to have any future as regards electricity. You live in darkness and the Ministry is not concerned.

Mr. Temporary Deputy Speaker, Sir, I hope the Minister for Energy is listening. Electricity should be provided all over the country. If the Government cannot do that, then we should allow private companies to provide electricity. I am told that nuclear power is the cheapest form of energy. When I was in Brussels, I was told that one of the people manning nuclear energy in that European country is a Kenyan. Why can we not bring this Kenyan back to advise us on how to go about it? It is high time we honoured prophets in our country. We seem to send them away to help others, while we continue with the same old ways we are used to, pretending that we like it.

Personally, I do not like living in darkness, but I am forced to because the Ministry of Energy has not provided electricity to me. We depend on donors to come and help us. For example, when the French donors instal power at a school, they do not even want it to serve the neighbouring

village. That is not reasonable. Why should *wananchi* live near a school which has power supply and they cannot access it? When we sign such agreements, we should take into consideration the needs of our people. We should not just let any donor who comes around to do what he pleases. We should think of Kenyans first and foremost as we negotiate with donors.

Mr. Temporary Deputy Speaker, Sir, if the Ministry has failed on rural electrification, it should liaise with individuals to provide Kenyans with power, so that we can industrialise. We will never industrialise without energy. Any time we have drought, power is rationed and industries have to lay off people. We are, therefore, doing zero work. When people are laid off, we cannot function. We have accepted the situation as it is just because we are in the Third World. That is accepting failure. It is high time we did proper planning and stopped parting ourselves on the backs and saying that we are a Third World country.

For how long are we going to continue being the Third World? Why do we not make efforts to move towards being a developed nation? This assumption should not continue for a long time. Let us license private individuals to provide electricity. This will ensure that this country develops.

With those few remarks, I beg to support.

Mr. Omingo: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to support this Motion. Electricity spurs economic growth in a country. When we accept to be in darkness like my colleagues have said, we are accepting to remain in the dark ages forever. Why are we in the current state? For us to move forward, we must reflect in the past. This cash cow; KPLC, was actually used to drain this country's economy. It was used as an exit pipe for other people to benefit.

Mr. Temporary Deputy Speaker, Sir, the Kenya Power and Lighting Company (KPLC) was used by KANU to raise funds for its election campaigns. Just before every general election, electricity tariffs would be increased. The KPLC management would be told to pass over monies to the political party to facilitate its election campaigns and also feed the party's "big boys".

The KPLC has failed in its duty of providing electricity to Kenyans. In South Mugirango Constituency, for example, we live in darkness, while most of our neighbours have electricity. As one of my colleagues rightly said, your constituency would only be supplied with electricity if you were "politically-correct". We had been asking for electricity to be provided to our constituencies, but we were always told to wait till funds become available.

I would like to thank this Government, for at least, sanctioning one project in South Mugirango Constituency since Independence, although the project has not yet taken off. The reason for the delay is that the KPLC has been engaged in its internal procurement squabbles. They cannot do procurement because the managers have vested interests. When one person wants to procure, another one brings up a case to litigate. So, the company does not have the apparatus it requires to implement the Kshs6 million electrification project for Nyatike Health Centre, which the Government, graciously, gave us. I thank the Government for that. However, unless we change the management outfit of the KPLC, we will not get anywhere.

Mr. Temporary Deputy Speaker, Sir, it is important that we privatise the power sector. We should, however, not do so in the line of independent power producers. After the independent power producers were taken on board, they sabotaged the KPLC and numerous blackouts followed. They came on board, started to generate electricity and sold it to the KPLC at a higher price than that which the KPLC sells to us. Consequently, the KPLC realised heavy losses. This was one of the ways the "fat cats" used to take away monies from public coffers.

The kind of privatisation we require should be affordable to members of the public. The KPLC should not control the monopoly of supplying transformers. We know where we can get transformers from. The best the KPLC can do is to give us the specifications of the required

transformers for purposes of safety, and not necessarily to control their supply in the manner it currently does.

Mr. Temporary Deputy Speaker, Sir, one wonders how the power sector in this country is managed. I do not believe that the organisations responsible have competent accountants, financial managers and advisors. Why would you, for example, want me to help you develop your own electricity line and then charge me for it? Basic financial sense suggests that you need to invest and recover your money. Now that people cannot afford the transformers, the KPLC needs to be given more capacity to put up more electricity lines and then charge the beneficiaries. That is the only way we can support our people.

The KPLC has not been able to effectively help this country develop due to corruption that has bedeviled it. It is not in the interest of this nation that we have the same management running the KPLC. We have been talking about this issue across the board; since the times of the previous regime right into the current regime. We talk about transparency, but are we doing things differently? The present Government is trying, but unfortunately, they inherited a lot of "cobwebs" and some "rotten apples" from the previous regime.

In order for us to be effective in the running of this country's affairs, we should preach water and take water. We should not preach water and take wine. The NARC Government came to power on a platform of change or reforms and promised to nurture a corruption-free environment. However, if corruption is still rife at the KPLC and within our Ministries, how would we grow? It is important that we create employment. Jobs are created through the informal sector. One cannot undertake welding jobs in a local village without electricity. The lifestyle of individuals in an area that has been supplied with electricity changes immediately they get this supply; people start engaging in economic activities, which in effect create jobs. The only problem is that we would like to create jobs, but we have made electricity un-affordable.

Mr. Temporary Deputy Speaker, Sir, one critical thing that the Government should know is that the best way to spur economic growth is to reduce the cost of energy. Since this Government came to power, the prices of petrol and diesel have been increasing every month while electricity tariffs have also been increasing by the day. What are we suggesting? We are telling the world, including Kenyans, that we are condemned to die in poverty. I think this is very unfortunate. Could we not do things a little different from the previous regime? As I said, we should preach water and, indeed, take water. In the rural areas, old women buy kerosene for lighting their lumps. Their work is to destroy the forests, especially in densely populated areas. What we are seeing is catastrophic! You cannot tell people not to cook using firewood and yet, they do not have alternative sources of energy. We are saying: The moment electricity becomes cheaper, we shall be able to protect the Ministry of Environment and Natural Resources. We shall protect the environment by growing more trees. Those trees will change the environment. We must relate and connect our thinking with that of Ministries, so that we can have a common course of making this country a better place to live in.

Mr. Temporary Deputy Speaker, Sir, our people use very expensive sources of power. The only way we can help them is to have affordable power that is privately managed. We must give tax relief to the people who are trying to provide electricity. The tax relief on transformers will have a positive impact on the environment, economy and the quality of life of Kenyans. Why should more Kenyans continue living below poverty line? We started at 57 per cent and now, it is over 60 per cent. Reason: We cannot touch the right button that spurs growth; including affordable energy that translates to reduced cost of production. But, even then, how do we reduce the cost of production and avail quality food when the people producing power cannot reduce the cost? That has an effect that goes round the country, including impoverishing our people. I think the Ministry has tried. I

want to commend what they are doing. They gave us a policy paper that is supposed to give us a new thinking. But when embracing that, the Ministry should not tailor it to achieve what they want. It should be done in line with the debate that is going on here. If they want to bring a new Energy Bill, they should seek the input of Kenyans.

I know that we depend on the Attorney-General to draft Bills. For that reason, let him draft what hon. Members have said, and include their views for the benefit of Kenyans. We know that, sometimes, a comma put in the wrong place changes things. As the Ministry does that, we expect the Committee of Parliament that deals with that to ensure that whatever we have proposed here has been incorporated in the Bill. That will eventually be the Act to save our people. We cannot develop with the high cost of electricity, which keeps on going up day by day. We want to petition the Ministry to look into this.

With those few remarks, I beg to support.

The Temporary Deputy Speaker (Mr. Khamasi): Sorry, hon. Members! It is now time to call upon the Mover to reply.

Dr. Ali: Thank you, Mr. Temporary Deputy Speaker, Sir. I have been requested by several hon. Members to donate to them some minutes. Therefore, I wish to donate three minutes to Mr. Angwenyi, two minutes to Mr. ole Metito and two minutes to Mr. Sudi.

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, I would like to thank the Mover for bringing a very good Motion. I hope that, in future, when a Motion has been moved, we will focus on it. We should not talk in generality.

Mr. Temporary Deputy Speaker, Sir, the intention of this Motion is to urge the Government to assist, support and facilitate companies that would like to generate and distribute electricity to areas where Kenya Power and Lighting Company (KPLC) has failed. How can we do this? We can do this by, first, improving infrastructure in those areas so that those individuals and organisations can relocate there and supply electricity.

Mr. Temporary Deputy Speaker, Sir, secondly, the Government should provide free Government land to enable those individuals to settle in those areas. The Government should also give them tax incentives. They should not pay taxes for a period of five or even 10 years because they will provide a service to our people, which cannot be provided by the Kenya Power and Lighting Company (KPLC), which enjoys a monopoly.

The Government should allow those individuals to access financial credit so that if they want to establish, for example, a distribution network in North Eastern Province or in some parts of Gusiland, they can do it. It is only then that we can know that the Ministry or Government supports this Motion as the Assistant Minister has said.

The KPLC enjoys a rotten monopoly! As my colleague said earlier on, this is a cash cow.

The Assistant Minister for Energy (Mr. Kiunjuri): On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Member who is on the Floor and also Mr. J.M. Mutiso in order say that the KPLC is a cash-cow when they know that those days are long gone and that the Government does not interfere with this corporation? If we find anybody interfering with the KPLC, we will prosecute him or her.

Mr. Angwenyi: Mr. Temporary Deputy Speaker, Sir, in conclusion, I was saying that if the KPLC had been properly managed, the hon. Member could not have brought this Motion before this House. The fact that the Motion has been brought before this House, and we can experience this problem throughout the country, illustrates that the KPLC has failed. This corporation directs its resources to irrelevant areas. The Motion is clear.

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

Mr. ole Metito: Thank you, Mr. Temporary Deputy Speaker, Sir. I would like to support

this Motion because of the following reasons. First, we recently passed a Motion which urged the Government to provide computers to all secondary schools. If that Motion will be implemented, I think Dr. Ali's Motion has to be implemented too.

Secondly, we have heard from several speakers that 68 per cent of our population depends on firewood as a source of energy. That has a co-relation with the unwarranted destruction of our forests. We need to implement this Motion in order to save our forests.

Thirdly, Mr. Temporary Deputy Speaker, Sir, when the NARC Government took over power, it promised Kenyans that it would create 500,000 jobs a year. This Motion has to be implemented in order to create more jobs especially in the rural areas.

Mr. Temporary Deputy Speaker, Sir, many speakers have talked about the monopoly that the KPLC enjoys and the disadvantages that come along with it. If this Motion is implemented, it will help in the distribution of electricity equitably. It will also simplify the process. As things are now, the process of supplying electricity starts from the District Development Committees (DDCs) up to the Ministry.

Finally, this Motion is important in that it will do away with the dependency on donors, who keep on shifting goal posts when it comes to the supply of electricity.

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

Mr. Sudi: Mr. Temporary Deputy Speaker, Sir, I thank the Mover of this Motion for donating part of his time to me so that I can contribute to it. This Motion has come at the right time in that it addresses the predicament Kenyans find themselves in. The Assistant Minister has accepted that the Government made a mistake, and now that they are going to rectify it, they should liberalise the monopoly which the KPLC has been enjoying, just the way the airwaves have been liberalised.

Mr. Temporary Deputy Speaker, Sir, in the beginning, when God created this world, He said, "Let there be light," and there was light. He gave us all the natural resources including water, wind and sand, and we have not been utilising them. He gave us the knowledge to utilise those resources to produce energy. Diversity in the energy sector is very important, especially in developing areas where the rural folk live in darkness. In order to create jobs, electricity should be supplied to those areas. Even the rate of pollution will be minimised and our health will be very good.

With those remarks, I beg to support.

Dr. Ali: Mr. Temporary Deputy Speaker, Sir, I wish to thank the Assistant Minister for supporting the Motion. I hope that the Energy Bill will come very soon, because Kenyans have stayed too long without electricity. However, it should not be attached to the restructuring of the KPLC because that is attached to donors and obviously, it will take a long time. So, I hope the Bill comes to Parliament before we go on recess, and I want to assure the Assistant Minister that we will support it, hoping that all the issues that have been raised by Members will be taken into consideration.

Mr. Temporary Deputy Speaker, Sir, the most important issues, of course, are the taxation measures. Even if we wanted to use the Constituency Development Fund (CDF), we have been told that it is not possible, since there is a lot of taxation in terms of VAT and Income Tax on generators, because we do not manufacture them here. For community-based rural electrification programmes, we should then have exemption from those taxes so that we are able to use these facilities properly.

With those remarks, I beg to move.

(Question put and agreed to)

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Khamasi): Hon. Members, it is now time for the interruption of our business. The House is, therefore, adjourned until this afternoon at 2.30 p.m.

The House rose at 12.30 p.m.