

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 3rd May, 2006

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

PAPER LAID

The following Paper was laid on the Table:-

The Report of the Departmental Committee on Administration of Justice and Legal Affairs on the Sexual Offences Bill, 2006.

(By Mr. Marende)

NOTICES OF MOTIONS

Mr. Oloo-Aringo: Mr. Speaker, Sir, I beg to give notice of the following Motions:-

ESTABLISHMENT OF NATIONAL CONSTITUENT ASSEMBLY

THAT, this House do grant leave to introduce a Bill for an Act of Parliament entitled the National Constituent Assembly Bill, to provide for the establishment of a National Constituent Assembly where negotiations will be held to generate a new democratic Constitution, which shall be made available to the people of Kenya for scrutiny and approval in a national referendum, and for matters connected thereto and related therewith.

AMENDMENT OF THE KENYA POST OFFICE SAVINGS BANK ACT

THAT, taking into account that commercial banks have been unable to expand banking operations to many towns in Kenya and are, in fact, withdrawing their services in these towns; and aware that the spread of banking operations is key to developing all parts of the country, this House do grant leave to introduce a Bill to amend the Kenya Post Office Savings Bank Act, Cap.493B of the Laws of Kenya in order to allow the Kenya Post Office Savings Bank, in addition to and in furtherance of its responsibilities and current functions, to advance loans and other forms of credit service to its target group, that is low income individuals and households and small and micro-enterprises.

ESTABLISHMENT OF TECHNICAL
COMMITTEE ON YALA SWAMP

THAT, whereas the National Assembly approved a resolution calling on the Government to reclaim the Yala Swamp, and to implement irrigated farming to increase food production, and to promote commercial farming in the area; and being aware that the Government through the Lake Basin Development Authority signed a memorandum of understanding with Dominion Farms Limited for the development of the Yala Swamp; this House urges the Government to set up a technical committee of experts to investigate and report on the extent of implementation of this project and to recommend an action plan on how the project can be expanded in Siaya, Bondo and Busia, and further that the findings of the technical committee be tabled in this House within six months.

QUESTIONS BY PRIVATE NOTICE

EXPIRY OF PARASTATAL CEOs' CONTRACTS

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

(a) Is the Minister aware that the contracts of all parastatal chief executive officers appointed in the first half of 2003, have expired?

(b) What action is the Minister taking to ensure continuity of operations based on new performance contracts?

(c) Could the Minister table a list of the affected CEOs?

The Minister of State for Public Service (Mr. Akaranga): Mr. Speaker, Sir, I beg to reply.

(a) No, I am not aware. Out of the 32 Chief Executive Officers (CEOs) appointed in the first half of 2003, contracts of only seven CEOs have since expired.

(b) Although we have given firm instructions that the process of renewal of the contracts or otherwise be initiated six months before expiry, this has not been taken seriously by some boards. However, my Ministry will ensure that the expired contracts are reviewed without further delay.

In the meantime, both of the affected State Corporations have appointed CEOs in acting capacity to ensure continuity of operations.

(c) The list of the CEOs whose contracts have expired and their status are shown below.

Mr. Speaker, Sir, there are only seven CEOs and I have already given out copies showing this information.

Hon. Members: Read the copy!

The Minister of State for Public Service (Mr. Akaranga): Mr. Speaker, Sir, they are as follows:-

(i) Under the Ministry of Environment and Natural Resources, we have the Kenya Forestry Research Institute (KFRI). The name of the CEO is Dr. P.K. Arap Konuch. The date of appointment and expiry is 25th March, 2003 to 24th March, 2006. At the moment, the matter is being discussed by the board.

(ii) The CEO for the National Environmental Management Authority (NEMA) was Prof. Ratemo Micheka. The date of appointment and expiry of his contract was 25th March, 2003 to 24th March, 2006, respectively. Prof. Micheka was suspended before expiry of the contract. We have an acting CEO in place.

(iii) Under the Ministry of Education, Science and Technology, we have Moi University where the CEO is Prof. D. Some. He was appointed on 25th March, 2003 to 24th March, 2006. The matter is with the board.

(iv) Under the Ministry of Energy, we have the Kenya Power and Lighting Company (KPLC). Eng. J. Oduor was appointed on 25th March, 2003 up to 24th March, 2006. He was also suspended before expiry of the contract. There is somebody acting in that position.

(v) The CEO for the Kenya Electricity Generating Company (KenGen) is Mr. E. Njoroge. His contract was to run from 25th March, 2003 to 24th March, 2006. The matter is with the board.

(vi) The CEO of the National Oil Corporation of Kenya (NOCK) is Ms. Mary Kimotho M'Mukindia. She was appointed on 7th April, 2003 and her contract was to expire on 6th April, 2006. The matter is being discussed by the board.

(vii) Finally, under the Ministry of Information and Communications, we have the Postal Corporation of Kenya (PCK). Mr. D. Ameyo was appointed as the CEO of the PCK on 25th March, 2003. His contract was to end on 24th March, 2006, but he resigned. There is an acting CEO in place.

Mr. Maore: Mr. Speaker, Sir, if you look at the list given by the Minister you will find that it was quite brief. He has dodged the question regarding what the other 25 Chief Executive Officers (CEOs) are doing, and whether their contracts have expired. My Question is about the first half of 2003 and we are now in the first half of 2006. Three years have elapsed. The Minister is being mean with information about the status of the other 25 CEOs.

Could I ask him to explain the status of the other 25 CEOs? He has only given us the status of seven CEOs in his response to part "a" of my Question.

Under part "b", he says his Ministry has given firm instructions, but the boards of directors are not taking him seriously. Which part of the centre is not working and hinders the smooth operations of these parastatals?

Mr. Akaranga: Mr. Speaker, Sir, the contracts of the remaining 25 CEOs will expire in June this year. If the hon. Member wants to know their names, I am prepared to give them to him. But I came with only the names of those CEOs whose contracts have expired as required by the Question. We are asking the boards of directors to renew contracts of the affected CEOs as per the terms and conditions of their contracts. I am sure those contracts will be reviewed very soon.

Mr. Billow: Mr. Speaker, Sir, a report issued sometime last month by the Centre for Governance and Development, which looked at the performance of State Corporations between 1992 and 2002, showed that we have lost billions of shillings, because of poor management of State Corporations. The major problem is the way political patronage is used in the appointment of CEOs. We have seen in the last few months that all appointments of CEOs have been done by Ministers based on the ethnicity of the Ministers themselves. My question is whether this Government will recruit all CEOs competitively through recognised recruitment firms rather than through political patronage?

Mr. Akaranga: Mr. Speaker, Sir, that is a good suggestion. Hon. Members are aware that the CEOs of the State Corporations have all signed performance contracts. I agree that when you look at previous reports you will see that the performance of most State Corporations was actually wanting. But at the moment their performances is above average. So, I entirely agree with the hon. Member that we need to do competitive recruitment of CEOs.

Mr. Speaker: Mr. Minister, it appears that you are expressing a wish, but the hon. Member has asked you for a fact. Are CEOs going to be recruited on merit in future?

Mr. Akaranga: Mr. Speaker, Sir, I am saying that is what is supposed to happen. I am going to ensure that, that happens.

Mr. Omingo: Mr. Speaker, Sir, in part "c" of the Question, none of the old CEOs has actually been replaced as per the law. This Government has replaced only those CEOs it was in a

hurry to replace with its favourite persons. Could this Minister tell this House, and Kenyans, if the State Corporations do not respect the rule of law, who will? When will the law be followed so that Kenyans can get quality leadership in the State Corporations?

Mr. Akaranga: Mr. Speaker, Sir, I do not understand the hon. Member when he says that none of them has been replaced according to the law. Before a CEO is appointed the board of directors advertises the position and people apply. The Board then looks at the names of people who have submitted their applications and recommends three names to the Minister of the parent Ministry. The Minister will then look at the three names and appoint one of them a CEO.

Mr. Syongo: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it, Mr. Syongo?

Mr. Syongo: Is it in order for the Minister to mislead this House that positions are advertised? Could he, as a matter of good faith, tabled in this House a single Press advertisement of a CEO's position?

Mr. Akaranga: Mr. Speaker, Sir, internal advertising is done.

Mr. Omingo: Mr. Speaker, Sir, I raised a pertinent question, that none of all those CEOs whose terms of office have expired has been replaced as per the law. My question is why they were not replaced according to the law.

Mr. ole Ntimama: On a point of order, Mr. Speaker, Sir. In view of the foregoing, could the Minister admit in this House that the only employment the Government has created for the last three years has been by way of some Permanent Secretaries and Ministers sacking CEOs and replacing them with their brothers and sisters?

Mr. Akaranga: Mr. Speaker, Sir, that is a good comment from my colleague. He is aware that I am have been there for only a few months and perhaps we will be replacing some of those Chief Executive Officers (CEOs) whose contracts were done by him. We, as a Government, are going to practice a lot of professionalism when hiring the CEOs.

(Applause)

Mr. Speaker: Order, hon. Members! I think I will finish with Mr. Maore, but it is a much more serious matter than the way it is being treated. I think Kenyans deserve to know whether, in fact, they stand a chance in Heaven to be appointed as chief executive officers if they have no relationship with Ministers. That did not come out clearly.

(Applause)

Proceed, Mr. Maore!

Mr. Maore: Mr. Speaker, Sir, I would like to seek your indulgence. My question was that the contracts of the CEOs of the parastatals have expired. The Minister has said that in the first half of 2003, they appointed 32 CEOs. It is 32 out of 32 they have not replaced because even if you look at the schedule, either they have suspended the CEOs and somebody is acting or the matter is with the board. Could I, therefore, plead that the Minister goes back, brings us the list and the status of the entire 32 CEOs instead of just giving us names of certain individuals?

(Applause)

Mr. Speaker: I will encourage openness called in Russia a long time ago as glasnost. You will bring all the information next week.

Mr. Akaranga: Mr. Speaker, Sir, I have the list here. I do not want to wait until tomorrow.

I can table it!

Mr. Speaker: Order, Mr. Minister! We must understand that we do not do these things for ceremony.

Hon. Members: Yes!

Mr. Speaker: If you wanted to lay that document on the Table, you should have done so, so that hon. Members can peruse it and participate. But when we are closing, you now table it. In essence, you are using the Chair as a cover-up.

Mr. Akaranga: Mr. Speaker, Sir, the question here is for me to show specifics. It says: Could the Minister table a list of the affected CEOs? When the question is about the affected CEOs---

Mr. Speaker: Order, Mr. Minister! There is no contest between me and the Minister. In fact, I am doing my job which is to arbitrate and I am trying to do so. You are also doing your job, which is to answer questions. In my view, that is not answering the issue being raised, so I will ask you to do it in two weeks. I will, therefore, defer that little bit.

Hon. Members: No!

Mr. Speaker: Order! Why are you behaving like you are the Speaker? Do not challenge me like that. It is my job. Please, relax!

Next Question!

MEASURES TO AVERT DESTRUCTION OF MUNINA DAM

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

(a) Is the Minister aware that Munina Dam, which was constructed with funds from the donor community, is about to burst?

(b) What action is he taking to ensure that the dam is not destroyed?

(c) What measures is the Minister taking to ensure that projects funded by the donor community are carried out properly and to acceptable standards?

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

(a) I am aware that the reconstruction of Munina Dam was undertaken in January, 2005, after the original dam constructed in the 1950s breached. The major components of the dam were funded by the Danish International Development Agency (DANIDA) while the community was required to provide materials and labour for construction of the spill-way protection. The spill-way is yet to be undertaken. This may cause dam failure in case of heavy floods.

(b) My Ministry is liaising with the local community and the donor to raise the required funds so that the outstanding works are completed in the shortest time possible to save the dam from collapsing.

(c) My Ministry will provide technical assistance and has always done so to the local and donor funded projects in planning, design and their implementation. A structure has been put in place to ensure that design reports for water projects are checked by the Water Resources Management Authority (WRMA) while the water services boards (WSBs) supervise construction of these projects.

Mr. C. Kilonzo: Mr. Speaker, Sir, I would like to inform the Assistant Minister that if the dam was to breach, part of the Thika-Garissa Road Bridge would be swept away at Matuu. Secondly, people living downstream would be at risk, therefore, he needs to act very fast.

In part "b" of his answer, he says that he is liaising with the local community and the donor to raise funds. Probably the donor has some funds but the local community is living on relief food. Why can he not source for funds from the relevant Government water bodies so that they can do emergency work on the dam?

Maj. Sugow: Mr. Speaker, Sir, this project had two components. There was DANIDA which was to pay for earth works excavation, auxiliary structures; that is, the cattle trough, community water point and fencing costing Kshs3 million. There was also the community contributions which was part of the agreement between the community and the donor. It was to provide the land, provide and lay hardcore for rip-rap along the spill-way bed. This was to cost about Kshs200,000. It is this contribution from the community side that never came and hence the part of the project that this money was supposed to implement, which is the spill-way, had not been done. However, I am telling the hon. Member that in view of the danger now posed by the breaching of the dam to the community, the Ministry is ready.

Mr. Speaker, Sir, I am urging the hon. Member to get in touch with the Ministry Headquarters so that we can move fast to alleviate the danger posed in case there will be any further rains that will cause the dam to collapse.

Mr. J.M. Mutiso: Mr. Speaker, Sir, the Government is losing billions of money because of poor designs of dams. I remember very well that in 1997, the Government, through the Civil Service Retrenchment Programme, laid off most of the technical staff. Therefore, you will find that the designs that are being done in the district are below standard and the destruction of this dam is something we are going to experience in the near future. What is the Ministry doing to ensure that the Technical Department of Design in the Ministry of Water and Irrigation is well equipped with personnel who can handle this work?

Maj. Sugow: Mr. Speaker, Sir, most of those projects have problems but they are not necessarily design or technical problems. Most of these projects are community projects where there is a component from the community side in terms of contribution in the form of either unskilled labour or even funds. When these funds do not come, no matter how well you plan or design a project, it becomes very difficult to implement it as per the standards. It is these particular projects, and not projects wholly owned by the Government, that are posing danger.

Mr. C. Kilonzo: Mr. Speaker, Sir, as much as the Assistant Minister might want to go to the donors, once a donor has done his job, it is only fair that the Government takes over the responsibility in case of an emergency like this. I would like to request the Assistant Minister to look into this matter and ensure that all the Government water bodies react to this issue as soon as possible.

Thank you, Mr. Speaker, Sir, I have no further questions.

Maj. Sugow: Mr. Speaker, Sir, the Ministry intends to put in place projects which will be shared between the community, the donor and the Ministry to ensure that implementation goes hand in hand. This will ensure that standards are always met so that even if communities do not meet their part--

Mr. Mwandawiro: Hoja ya nidhamu, Bw. Spika. Je, ni haki Waziri Msaidizi kulipotosha Bunge hili kwamba anatoa wataalam wa kusaidia jumuiia katika miradi ya maji wakati wataalam wake wanadai hela nyingi sana?

Mr. Speaker: Hilo ni swali, Bwana!

(Laughter)

Ningependa kumuuliza mhe. Mbunge ajifunze hoja ya nidhamu ni nini kabla hajauliza tena. Kwa hivyo, swali lako limepotelea mbali!

Next Question!

ORAL ANSWERS TO QUESTIONS

Question No.304

TARMACKING OF EMALI- LOITOKITOK ROAD

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

- (a) whether the Government has any plans to tarmac Emali-Loitokitok Road and,
- (b) if the answer to "a" above is in the affirmative, could the Minister inform the House when the work will commence.

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

The Government has plans to tarmac the 100 kilometres of Emali-Loitokitok Road. The Kenya Government, with the support of the Arab Bank for Economic Development (ABED) and the Organisation of Petroleum Exporting Countries (OPEC) will finance the construction and supervision of the road at an estimated cost of approximately Kshs2.45 billion.

(b) The tarmacking of Emali-Loitokitok Road is expected to start in December this year after completion of design review and tendering process.

Mr. ole Metito: Mr. Speaker, Sir, that is a very important road to the people of Loitokitok and to the economy of this country. It has been used as a campaign tool by successive governments to win votes from the people of Kajiado South. Its designing was carried out and according to the way it was done, it will cost a lot of demolitions on people's properties, and especially in a place called Kimana Town Centre.

Mr. Speaker, Sir, could the Assistant Minister consider reducing the width of the road, as per the survey at that particular point so that it can minimise and reduce the losses that will be incurred by the people of Loitokitok?

Eng. Toro: Mr. Speaker, Sir, the design was done sometime ago. However, at that time, we had different financing conditions. When other donors come into play, they do not go by the previous designs. They normally come up with their own designs, done by their own appointed consultants.

The review is now being done in cognisance of the other design which was done before.

Mr. Speaker, Sir, in addition, during the designing, the road is made to pass through the most economic routes that will serve people better. If, for instance, the design warrants that a road is to pass through a shopping centre, compensation is done to those people who are affected.

Mr. Weya: Mr. Speaker, Sir, if you go round the country, you will see that all the roads are in a pathetic condition. The Government has no capacity to re-construct all of them.

Could the Assistant Minister consider concessioning some of the roads so that private investors can re-construct them and help Kenyans have better roads?

Eng. Toro: Mr. Speaker, Sir, we have indicated, as a policy, that those who want to come in as private investors for concessioning purposes are free to do so. However, it is up to them to look into which roads we will concession and know whether they will have their money back if they invest.

Owing to that reason, the Southern by-pass and the Over-pass along Uhuru Highway is the first concessioning that will be done.

Mr. ole Metito: Mr. Speaker, Sir, as the Assistant Minister has put it, the survey of the

road will interfere with many peoples' properties and land. The design was done recently and the particulars of affected individuals collected. When is the Assistant Minister considering to compensate the affected people?

Eng. Toro: Mr. Speaker, Sir, compensation will be done after the review of the design is done because there could be some changes when the new engineers come on board.

Mr. Speaker, Sir, so, compensation can only be done after the final design has been approved.

Question No.243

COMPLETION OF MURANG'A-
GITUGI ROAD

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

(a) whether he is aware that Murang'a-Gitugi Road (D427) was designed to bitumen standard in the early 1980s and a contract worth Kshs99,410,842 awarded to Firoze Construction Company Ltd. on 4 April, 1988 for a period of 18 months but was abandoned on 19th August, 1991 after undertaking only the earthworks and installation of culverts;

(b) whether he is further aware that after the contractor abandoned the road, the Ministry started tarmacking it, but abandoned the project after only three kilometres;

(c) how much money was paid to the contractor and how much has been allocated to the road for maintenance since 1991; and,

(d) if he could allocate adequate funds during the 2006/2007 Financial Year to complete this important road in Murang'a District.

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

(a) I am aware that Murang'a-Gitugi Road was designed to bitumen standard in the early 1980s. A contract worth Kshs99,410,842 was awarded to Firoze Construction Company Ltd. on 4th April, 1988 for a period of 18 months but was abandoned on 19th August, 1991 after undertaking the earthworks and installation of the culverts.

(b) I am also aware that after the contractor abandoned the road, my Ministry started re-tarmacking it but abandoned the project after only 3 kilometres out of a total length of 26.5 kilometres. The project was abandoned due to inadequate budgetary allocations by the Treasury.

(c) The contractor was paid Kshs48,635,327.85. Since 1991, the road has been allocated Kshs22,833,000 for both maintenance and improvement. The road will benefit during the construction of Saint Mary-Nyakahura-Gitugi Road since 3 kilometres is covered by the project. My Ministry will allocate funds during the 2006/2007 Financial Year to complete construction of this important road in Murang'a district and Kshs10 million has also been earmarked for design of Murang'a-Gitugi Road in the 2006/2007 Financial Year.

Mr. Kamotho: Mr. Speaker, Sir, I am surprised by what the Assistant Minister is telling us because the road was earmarked and designed for construction almost 20 years ago. The Assistant Minister agrees with that. However, currently, the road the Assistant Minister is referring to as Saint Mary-Nyakahura Road is a diversion of that road which is categorised as an "E" class, E358. Could the Assistant Minister tell us the rationale of diverting the construction of Murang'a-Gitugi Road, D427 to construct a lower class road which has not even been recommended by the DDC or DRC? Is that being done because of political pressure from a powerful senior politician of this country?

Mr. Ojode: On a point of order, Mr. Speaker, Sir. Would I be in order to ask Mr. Kamotho to name the senior politician?

Mr. Speaker: That is not a point of order. Proceed, Mr. Assistant Minister.

Eng. Toro: Mr. Speaker, Sir, hon. Kamotho knows, since he was once a Minister, that priorities in Government keep on changing. Both roads originate from Murang'a and move on up to the Aberdares mountains. It is not correct to say that one road is more important than the other. As I have said---

Archbishop Ondiek: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to say that priorities in Government can change, even after projects have already been started?

Eng. Toro: Mr. Speaker, Sir, according to what I have read here that priority changed even at the time hon. Kamotho was a Minister. That is why the road was not completed.

What I am saying is that the construction of one road will start very soon. The road hon. Kamotho is talking about will be designed soon because Kshs10million has already been allocated for the next financial year. After the design has been done, it will be upgraded to bitumen standards.

Mr. Kamotho: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister aware of the answer they gave to this House in November, 2003 regarding the same road? At that time, they said that they were allocating Kshs30 million for the redesigning of that road. How can he then tell us now that they have allocated Kshs10 million to design the same road?

Eng. Toro: Mr. Speaker, Sir, the Kshs30 million that hon. Kamotho is talking about was for the maintenance of that road and not for its design. This time round, I am saying that Kshs10 million will be allocated for purposes of designing the road before it is tarmacked. The design that was used in 1988, when the contractor abandoned the work, cannot be used now. It can only be reviewed and a new design done.

Mr. Ojode: Mr. Speaker, Sir, it is totally wrong for this Assistant Minister to keep on giving us contradictory statements. I will give an example of Rodi Kopany-Karungu Bay Road, C18. This same Assistant Minister said that the road had already been redesigned and the Ministry had allocated Kshs50 million for its re-carpeting.

Mr. Speaker, Sir, today, as I speak to you, the road is in a bad shape and, in fact, it is impassable. Would I be in order to request that we get the substantive Minister to answer some of these questions? The road that hon. Kamotho is talking about had been started. They had tarmacked three kilometres of that road. How come that we are now being told that it is being redesigned? Which is which? What is happening to Rodi Kopany-Karungu Bay Road?

Mr. Speaker: Is Rodi Kopany-Karungu Bay Road in Murang'a District?

(Laughter)

Eng. Toro: Mr. Speaker, Sir, the Rodi Kopany-Karungu Bay Road will be allocated funds in the next financial year, because its design is already complete. We promise that construction work will start in the next financial year.

Mr. Ojode: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order! Order, Mr. Ojode! You are trying to divert the Question from Murang'a to Homa Bay. That is not possible.

(Laughter)

Eng. Toro: Mr. Speaker, Sir, if hon. Ojode brings a Question with regard to Rodi Kopany-Karungu Bay Road, then we shall answer it substantively.

The design that was used over 10 years ago cannot be used now. I wish to request the hon.

Member for Mathioya to bear with us so that we can redesign the road. After we are through with the design he can ask us how far we shall have gone.

Mr. Osundwa: On a point of order, Mr. Speaker, Sir. The Assistant Minister has not explained why there is the diversion to a place called Nyakahura, which is in category E. The Murung'a-Gitugi Road is category D. Could he, please, confirm that priorities changed when hon. Michuki was appointed a Minister because the Nyakahura Road goes to his village?

Eng. Toro: Mr. Speaker, Sir there is no diversion. That is an entirely different road which goes towards the Aberdares. The road, D327, is entirely a different one. As I said before---

Mr. Kamotho: On a point of order, Mr. Speaker, Sir. I am shocked to hear the Assistant Minister say that, that road is not a diversion. If he has not been there, I am ready to take him there tomorrow. The road he is talking about, that is E538, is a diversion from Murang'a-Gitugi Road, D427. So, what he is talking about is something that has been cooked. I do not even think that they have read the District Development Committee's (DDC's) minutes or those of the District Roads Committee (DRC) to see the recommendations that were made.

Mr. Speaker: Are both of you not from the Murang'a?

Eng. Toro: Mr. Speaker, Sir, I come from Murang'a South and he comes from Murang'a North. However, I do not agree that we are cooking anything in the Ministry. It is not possible to cook a road.

I understand what hon. Kamotho is saying, and I know why he is so jittery about it. The plans to construct the road were started about 15 years ago when he was a powerful Minister in the KANU Government. The road has not been constructed yet.

However, as I said before, the Ministry looks at priorities of the roads in terms of the areas they serve.

Mr. Kamotho: From where?

Mr. Speaker: Order!

Eng. Toro: Mr. Speaker, Sir,---

Mr. Speaker: Order, Members! I am inclined to send the two of you to Murang'a, so that you can go and discuss this local problem there.

So, please, I think we have to stop this parochial issue.

Next Question!

Mr. Bett: Thank you, Mr. Speaker, Sir, for agreeing to reinstate this Question, which I did not ask yesterday because I came in late.

Question No.235

OVERLOADING ON NAIROBI
PASSENGER TRAINS

Mr. Bett asked the Minister for Transport:-

(a) if he is aware that the trains ferrying passengers to and from Nairobi City and its suburbs during rush hours overload, with some commuters hanging dangerously onto the coaches, oblivious of the risk involved;

(b) how many deaths have occurred as a result of (a) above; and,

(c) what he is doing to alleviate the situation and protect the lives of passengers.

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

(a) I am aware that trains carrying passengers to and from Nairobi City and its suburbs during rush hours overload, with some commuters hanging dangerously onto coaches.

(b) Regrettably, some commuters have fallen off trains because of hanging from coach doors and couplings. In the last one year, three persons have been fatally injured. They are: Mr. G.

Maina Njoroge who was injured on 4th April, 2005. He fell from a moving train in Githurai. Mr. Benson M. Karuga was injured on 3rd December, 2005. He fell from a moving train between Dandora and Umoja. Mr. Athanas Muciemi was injured on 22nd March, 2006. He fell from a moving train at Makadara.

(c) The Kenya Railways Corporation is striving to increase the number of coaches by refurbishing those that have been out of service. The Government has, towards this end, agreed to fund half of the cost amounting to over Kshs70 million. The other half will be financed by the recently appointed concessionaire.

As a regular measure aimed at ensuring passenger safety, the corporation makes appropriate announcements through the station public address system, and also places notices in the station in which commuters are firmly warned not to hang onto or ride on top of coaches. Furthermore, similar warnings are occasionally carried out in some local print and electronic media.

Mr. Speaker, Sir, the Kenya Railways Police, and other internal security officers, regularly arrest those found hanging onto or riding on top of coaches. In the last six months, over 129 persons have been arrested and taken to court for prosecution. In the long term it is confirmed that the concessionaire will modernise the passenger service to incorporate greater safety and security measures.

Mr. Bett: Mr. Speaker, Sir, I want to thank the Assistant Minister for that answer. I realise that he is putting a lot of confidence on the concessionaire saying that it will provide safety and security measures for our people. He has told us that the Government is putting aside Kshs70 million for that purpose.

Mr. Speaker, Sir, could he assure this House that these funds will be available at the time when they will be needed? In the past, we are aware that the Government made promises, but it never meets its obligations.

Mr. Githae: Mr. Speaker, Sir, I can confirm that the NARC Government always keeps its promises unlike the previous Government, so that money is available.

Capt. Nakitare: Mr. Speaker, Sir, railways transport is a very important and cheap means of travelling. The Assistant Minister is well aware that the road conditions in Kenya have caused a lot of deaths. Does he have plans to have a passengers' train from Kitale to Nairobi? If so, when will it commence?

Mr. Githae: As Capt. Nakitare has rightly pointed out, the Government has given a concession to Sheltham to run the railways. One of the conditions we have given this firm is that they must ensure that the passenger service and goods train run smoothly on time and cheaply. We will leave that to the concessionaire when they take over in July. We shall request them to, first of all, restart all the passenger and goods trains that Kenya Railways has been unable to do so because of lack of funds.

Mr. Ndolo: Mr. Speaker, Sir, rail transportation in Nairobi is a very important means of travelling. However, we find that school children have a lot of problems going to school nowadays. What measures will the Ministry take to make sure that school children who travel using trains would be given an easier way to travel from Eastlands to the City centre?

Mr. Githae: Mr. Speaker, Sir, as rightly pointed out by Mr. Ndolo, it is true school children really suffer in Nairobi when they are going to school. We are aware that school children are waking up as early as 4.00 a.m. to be able to reach schools. These problems have been brought about by parents. We find a parent staying in Githurai, but wants his or her children to go to a school in Lavington or Karen. The policy of Nairobi City Council is that students should attend the nearest primary school from where they stay. If this policy were to be followed, that issue of children waking up at 4.00 a.m. in order to make it to school would go away. Therefore, I am encouraging Members of Parliament from Nairobi to build more schools near residential areas, so that children do not have to move from one estate to another in order to go to school. They can simply walk to school as it happens in other places.

Mr. Bett: Mr. Speaker, Sir, three Kenyans have so far died because of congestion in trains. I assume that once they board that train they had already been given tickets. Those tickets should be an insurance for them. What compensation will Kenya Railways give to the relatives of those who have died because they had already paid for the tickets and they were in the train?

Mr. Githae: Mr. Speaker, Sir, anybody who is travelling on top of a coach is not a passenger according to the law. They are trespassers and that is why they are arrested. Therefore, the issue of insurance does not even arise. They should actually be taken to jail. They should not ride on top of coaches.

Question No.042

DISPLACEMENT OF KENYANS
DUE TO ETHNIC/LAND CLASHES

Prof. Olweny asked the Minister of State for Administration and National Security:-

(a) how many Kenyans have been displaced as a result of ethnic/land clashes within Kenya in the last 15 years,

(b) whether he could indicate the number of such victims in Muhoroni Constituency; and,

(c) whether he could specify the parcels of land from which the victims in Muhoroni were evicted and person(s) occupying the land now.

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

(a) The Government appointed a task force which made visits to all areas that were affected during the ethnic/land clashes to establish the genuine number of victims. We said last week that this report will be given to the Government this month. It will enable us to know how many Kenyans were displaced.

(b) Therefore, the exact number of victims in Muhoroni, if any, will be known when the report is released.

(c) The parcels of land from which residents of that area were evicted will also be contained in the said report.

Prof. Olweny: Mr. Speaker, Sir, these ethnic clashes have made thousands of Kenyans suffer for the last 15 years. They are still going on. For how long has this task force been working while Kenyans are suffering and ethnic clashes are going on?

Mr. Kingi: Mr. Speaker, Sir, the task force has already completed going round the country. They are now putting final touches to their report and it will be ready sometime this month. We are rushing it because we want to know its contents. We are also interested in it.

Mr. Angwenyi: Mr. Speaker, Sir, could the Assistant Minister tell this House what relief they can give the displaced people who are languishing in squalid situations throughout the country?

Mr. Kingi: Mr. Speaker, Sir, we have been assisting most of these families by giving them relief food from the Government. We have been giving some of them humanitarian assistance.

Mr. Mukiri: On a point of order, Mr. Speaker, Sir. Is the Assistant Minister in order to give the same answer to a question which was asked two weeks ago about this committee? This committee finished its work---

Mr. Speaker: Order! That is your argument. Last question.

Prof. Olweny: Mr. Speaker, Sir, could the Assistant Minister tell this House what measures the Government has to stop any further clashes from taking place in this country? Recently, we had clashes in some parts of Rift Valley.

Mr. Kingi: Mr. Speaker, Sir, we have established quite a number of peace-making teams in our office. Most of these teams are in the countryside. There was a question about that this morning and we want to ensure that warring communities are arbitrated and that is what we are doing. Apart from that, we are sending out security to all those areas that are affected.

Mr. Speaker: Very well. That is the end of Question Time. All unanswered Questions will be put on the Order Paper tomorrow.

Question No.326

NON-PAYMENT OF PENSION DUES
TO MR. P.K. NG'ANG'A

(Question deferred)

Question No.020

COLLAPSE OF HOMA BAY INDUSTRIAL ESTATE

(Question deferred)

Question No.095

PROVISION OF ART TO
BUTULA HEALTH CENTRES

(Question deferred)

Question No.064

RE-LOCATION OF NORTHERN WATER
BOARD HEADQUARTERS

(Question deferred)

Question No.299

RE-AFFORESTATION OF
FALLOW FOREST LAND

(Question deferred)

Question No.023

ROLE OF REGISTRAR-GENERAL
IN POLITICAL PARTIES
DISPUTE RESOLUTION

(Question deferred)

Mr. Speaker: Mr. Khamisi asked me for permission to seek a Ministerial Statement.

POINT OF ORDER

FLOODING IN COAST PROVINCE

Mr. Khamisi: Mr. Speaker, Sir, I rise to seek a Ministerial Statement on the devastating flooding in the lower parts of Coast Province. Rains have been pounding the area for the last few days. They have displaced hundreds of people and destroyed property. At least, three people have died as a result of those floods. Some schools have closed following the continued rains this week. There is also some fear of serious outbreak of diseases as a result of burst sewers, particularly in the City of Mombasa. Mr. Speaker, Sir, I would like the Minister of State for Special Programmes to tell this House what urgent plans he has put in place to confront that emergency in terms of providing food, shelter and drugs to those affected. I would like that Statement to be made as soon as possible, so that the situation could be contained.

Mr. Speaker: Is the Minister here?

The Assistant Minister, Office of the President (Mr. Kingi): Mr. Speaker, Sir, I undertake to pass this information to the Minister in charge.

Mr. Speaker: Very well.

Next Order!

MOTION

ADOPTION OF CDF COMMITTEE REPORT

THAT, this House adopts the Report of the Constituencies Development Fund Committee, pursuant to Section 27(4)(d) of the Constituencies Development Fund Act 2003, laid on the Table of the House on Tuesday 28th March, 2006.

Eng. Muriuki on 18.4.2006)

*(Resumption of Debate
interrupted on 18.4.2006)*

Mr. Speaker: Who was on the Floor? Eng. Muriuki!

Order, hon. Members! We have to be mindful of the needs of other hon. Members to debate on this important Motion. This House does not have endless time to debate on any particular Motion. So, please, those moving Motions and those contributing must be mindful that we have limited time, all the time. So, we need to be mindful of others.

Proceed!

Eng. Muriuki: Mr. Speaker, Sir, thank you for giving me the chance to finish moving this important Motion to adopt the Constituencies Development Fund (CDF) Report. The Report that we are urging the House to adopt has been discussed in various fora. We had a chance to discuss it informally, during the workshop at Safari Park Hotel. Therefore, I will take time to highlight what I think are the salient points.

Mr. Speaker, Sir, the CDF Committee had the opportunity to visit various constituencies in the country to see for itself how the projects are being implemented. We have also observed certain things which are not for implementation by CDF, but they have been done. One of them is what we are referring to as affirmative action. That is not under the purview of CDF. But it is our wish that our Government takes note of the fact that, certain parts of this country have been forgotten in certain aspects. For example, where we have pastoral nomadic communities, the education sector

has been forgotten. I would like to take this opportunity to ask the Government to look into the matter.

The Assistant Minister for Health (Dr. Machage): On a point of order, Mr. Speaker, Sir. In view of the importance of this Motion, could you allow the Mover to come to the Front Bench?

Mr. Speaker: No! Absolutely no! There is no Motion that is more important than any other.

(Loud consultations)

Order! I want to say the following to the hon. Members. Please, listen carefully to me. Please, do not treat only those Motions that interest you, either as a group or, as an individual, as important. Every matter affecting the Kenyan people is as equally important. So, let us keep that in mind.

Proceed!

The Assistant Minister for Water and Irrigation: (Mr. Wanjala): On a point of order, Mr. Speaker, Sir. I agree with your ruling. I do not want to contradict it.

Mr. Speaker: But you are already doing it!

The Assistant Minister for Water and Irrigation (Mr. Wanjala): Mr. Speaker, Sir, the other day, when Ms. Ndung'u was moving The Sexual Offences Bill, she was allowed to move to the Front Bench!

Mr. Speaker: Order! I have said no! That is it!

Proceed!

Eng. Muriuki: Mr. Speaker, Sir, before that interruption, I was saying that some parts of the country have been forgotten by the Government. Generally, there may be reasons why pastoral communities lag behind. Sometimes, it might be because of tribal clashes. It appears that a lot of money is being used for water instead of where it is critically needed in those areas. We, in the CDF Committee, are requesting the Government to look into that matter.

Mr. Speaker, Sir, the other aspect which we have looked at in the implementation of the CDF Act is the term of office of various committees, which has been put at two years. It means that the committees will be changed three times within one term of Parliament. Therefore, we are recommending a term of three years rather than two years.

The other aspect which is of grave concern is how the money allocated per constituency is utilised on various projects. At the moment, that decision is with the Constituency Development Committee in every constituency. When it comes to the CDF Committee in Parliament, we merely look at whether they have utilised the money. It is none of our business to know how they intend to use their money. We set up a parallel body called the National Management Committee in good faith. What has been happening is that, sometimes, the constituency wants to do a certain project and when it goes to the committee which is supposed to disburse funds, they say it is not prudent. It is for that reason that we have included an amendment where that decision lies squarely with the CDF committees in the constituencies.

Mr. Speaker, Sir, the other aspect is what happens at the end of the financial year. We have very many constituencies which, for one reason or the other, end up with some savings. They may have wanted a project initially, but they no longer need it. For example, they wanted to drill a borehole, but the Government or a Non-Government Organisation (NGO) came and drilled the borehole for them. They require a system where that money could be re-allocated to something else within the constituency. There has also been a considerable problem with the emergency fund. That has also been juggled between the National Management Committee and the CDF Committee in Parliament. We are now saying that, that decision lies with the CDF in the constituency.

There has also been a bit of concern on the mandate and the usefulness of the District Project Committee. However, after careful consideration, we have left it intact. We are

recommending that it be left intact because CDF will be moving more and more on bigger projects where there may be need for more than one constituency to put resources together.

There is also a lacuna in the current Act. What happens when there is a change of Member of Parliament for one reason or another; either through a general election or by-election? We have made a recommendation as to what happens when there is a change of Member of Parliament.

(Loud consultations)

Mr. Speaker: Order, Dr. Machage! Just a few minutes ago, you complained that you could not hear the hon. Member! But now, you are making the whole of that corner unable to hear what the hon. Member is saying. Will you keep the peace?

The Assistant Minister for Health (Dr. Machage): Speaker, Sir, I have not even uttered a word!

Mr. Speaker: Order, Dr. Machage! Keep the peace!

Eng. Muriuki: Mr. Speaker, Sir, my last substantive point is on the implementation process. As the Act stands now, we have a number of committees which are cumbersome and tend to have a parallel mandate. We have looked at that and our view is that the CDF Policy should be set up by Parliament and the Select Committee's role is to oversee the implementation of that policy.

When a constituency wants to buy a piece of land, we shall pass it and they will buy. But before the cheque is issued, they are told to remove the item of the land because they do not think it is a good idea. Some other constituencies say they want to build tea collection centre or some such community project. It goes to the National Management Committee and they return it saying they do not think it is a good idea. When we engage the National Management Committee as to why they are saying so, they say part of their mandate is prudent management of the committee. The argument that has come is, we want to distinguish prudent management from prudent decisions as to what they want to do with their money.

Mr. Speaker, Sir, when we talk about policy, we expect that the body which is given the mandate for the disbursement does not also come up with its own policy. For example, recently, we ended up with a situation where some people started calling us from around the constituencies asking us who are these people called regional managers. I had not heard of it, it had not come to this House, and it had not even come to the committee for information. It is for this reason, therefore, that it is our considered view that we should be having a CDF Secretariat composed of professional persons, rather than another parallel body made up of persons like the hon. Members who make their own policies. We went ahead to even suggest the sort of persons who we thought should be in this CDF Secretariat, so that we have an officer administering the fund, an accountant, a finance officer, a legal officer, a project management officer, an information technology officer, a public relations officer, an internal auditor and maybe, one or two other persons selected by the Minister concerned.

Mr. Speaker, Sir, we also considered that if we had such a Secretariat which will be doing the day-to-day administration of the Fund, then the administration that is done in Parliament should be given to that Secretariat. So, we debated among ourselves as to where this Select Committee should be housed. We looked at Parliament and we thought it is the wrong place because they are implementors. We looked at the Ministry of Finance where, at the moment, the National Management Committee is located. What tends to happen is that when they sit on something and they make a resolution, then they have to report to the Ministry of Finance. It so happens that the Chairman of that Committee is also the Permanent Secretary for Finance, and so it is like reporting to himself. It is for this reason, therefore, that we suggested that this CDF Secretariat be put under one of the line Ministries. In this case, we suggested that it be situated in the Ministry dealing with matters relating to regional development. This is a good scenario and---

(Loud consultations)

Mr. Speaker: Order, hon. Members! I think the hon. Member is making very interesting contribution and Members ought to listen. But supposing the President tomorrow abolished the Ministry of Regional Development Authorities, then what happens to CDF? He cannot abolish the Ministry of Finance, but he can abolish the Ministry of Regional Development Authorities. Then, what happens?

Eng. Muriuki: Mr. Speaker, Sir, that is why we have talked about the Ministry dealing with matters relating to regional development. The way it is now, it is not proper. So, we made what we thought were fairly rational and considered proposals. I am giving the Report as it is now, but we are more than willing to talk about the issue and reach a reasonable conclusion. All we are saying is that, as it is now, without the roles being separated, it is not running properly. We would like to see a situation where the roles are properly separated.

Mr. Speaker, Sir, the other issue which drove us to a line Ministry is that the CDF is acquiring a lot of assets which do not belong to one institution or the other. They belong to the community generally. For example, we want every constituency to acquire a constituency vehicle. You will find that, in order to run CDF affairs, hon. Members are forced to use their own vehicles, which is not proper, because it is like politicking with it. If you have an asset like that, who owns it? As a matter of fact, the computers, desks and so on, which we have in our constituency offices at the moment, really are floating. They do not have a legal owner. Therefore, we thought that if this CDF Secretariat was hosted in a Ministry, then the issue of ownership of assets would not arise any more. So, we have a problem of who actually owns the assets that are acquired through CDF.

Mr. Speaker, Sir, I will now go to a point which has been very topical. At the moment, the CDF is 2.5 per cent of the Government ordinary revenue. Allow me to clarify. It is not 2 per cent of the Budget as it is reported quite often in the media and elsewhere. The Budget itself is about Kshs400 billion. Our observation is that, throughout the country, there are success stories everywhere we go. The CDF primarily is for the provision of community infrastructure. Therefore, the success in community infrastructure is so high that we would wish to see it enhanced. It is, therefore, our considered opinion that we recommend the CDF amount to be increased from 2.5 per cent to 7.5 per cent of the ordinary Government revenue.

Mr. Speaker, Sir, lastly, I would like to acknowledge the good work done by various contributors. I would wish to personally mention the name of the former Minister for Finance, Mr. Mwiraria, without whom it would have been very difficult to implement CDF as it is now.

Mr. Speaker, Sir, you will recall that at the beginning, we had a major problem as to how to implement CDF projects with the cumbersome procurement systems of Government. It took the goodwill of the then Minister for Finance to agree to sit with the Select Committee to agree on a workable system through which CDF could implement its programmes.

(Applause)

I also wish to take this opportunity to recognise the good work done by hon. Members. Unlike what may be reported here and there, I am happy to note, on behalf of Select Committee, that Members of Parliament appear to have taken the CDF challenge much more seriously than the way we thought.

Let me also mention that contrary to reports that there has been misuse of money, we have had only one constituency, namely, Fafi, out of the 210 constituencies, where money has actually been lost. Even on that case, where Kshs7.3 million was reported to have been stolen, I got a report

yesterday indicating that the bank acknowledged that it was their mistake. The money has been returned. Therefore, the actual loss through theft is zero.

Mr. Speaker, Sir, with those few words, I beg to move. It is my pleasure to ask Prof. Mango to second---

Mr. Speaker: Who has asked you to do that?

Eng. Muriuki: Mr. Speaker, Sir, I thought---

Mr. Speaker: I have to look and see whether you have a supporter. I am the Chair. So, you cannot nominate anybody to second you. Just move!

Eng. Muriuki: Mr. Speaker, Sir, I beg to move.

Mr. Speaker: Very good! Any seconder?

(Applause)

Eng. Muriuki: Can I nominate one?

Mr. Speaker: No, you cannot, Eng. Muriuki! I am the Speaker, Eng. Muriuki!

Eng. Muriuki: *Ahsante sana, Bw. Spika!*

Mr. Speaker: Any seconder? I will give the Floor to Mr. Billow!

Mr. Billow: Mr. Speaker, Sir, I will contribute after the gracious lady!

Mr. Speaker: Do you want me to give it to the gracious lady?

Mr. Billow: Yes, Mr. Speaker, Sir.

Mr. Speaker: Proceed, Prof. Mango!

Prof. Mango: Thank you, Mr. Speaker, Sir, for giving me the opportunity to second the Motion.

The Constituencies Development Fund (CDF) is a result of the Constituencies Development Fund Act that came into existence in 2003. I have been a Member of the Committee. The CDF has done wonders in this country. We have travelled around the country, as a Committee, and witnessed that through the CDF, constituencies have been able to put up classrooms, build nursery schools, health centres and dispensaries. In schools where children were previously sitting on the floor, the CDF has provided desks. Where children were learning in dusty classrooms, the CDF has been able to cement the floors so that there are no more cases of jiggers bothering the children. The CDF has made a lot of difference in institutions in this country. Therefore, it is a great idea which needs the support of all hon. Members and Kenyans at large.

Mr. Speaker, Sir, with the little amount of 2.5 per cent of national Budget allocation to the CDF, we have done a lot of wonders. If this allocation is increased, the CDF will revolutionise this country in very many ways. Initially, the Fund was meant for "fire-fighting" where there was no infrastructure. If you go to the rural areas, the CDF is the talk of every villager and everyone in the nation. Sometimes, the CDF is criticised by those who are not familiar with what it is doing. However, people in the rural areas know what work it is doing and they appreciate it. Today, if you say that we should disband the CDF, there will be a riot in this country because it has helped in very many ways to put up infrastructure.

(Applause)

Mr. Speaker, Sir, there is one bottleneck in the administration of the CDF. In many districts, the District Development Officers (DDOs) have proved to be a bottleneck in disbursing the CDF money. They do not seem to understand that the money belongs to the constituencies. They think that the money belongs to them and, therefore, they have the sole authority to disburse

the money, which is wrong.

I hope that the Ministry of Finance, and the Ministry of Planning and National Development, will help to correct the impression, which these officers hold. Some DDOs withhold the money for so long thus delaying development projects. The Ministry of Finance has been very good in disbursing the money. If we get rid of the bottlenecks created by the DDOs, things will move faster.

The CDF has been so effective that we have felt, as a Committee, that we should include the environment as part of the CDF project, so that we can redeem our environment. We have, therefore, included a budget line to provide some money for environmental management. We have also included a budget line for sports and cultural affairs, so that we can keep young people busy through sporting activities instead of them staying idle. This programme needs to be supported by all well-meaning Kenyans.

With those few remarks, I beg to second.

(Question proposed)

Mr. Billow: Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to this Motion.

The wrong perception about the CDF, created largely by the media, civil society and others, is misplaced. The impact of CDF in the last three years has been felt by communities, particularly in the rural areas. It is all there; very tangible results that can be seen. It has been realised by donors and the people of Kenya that the CDF has actually had an impact in terms of infrastructure development in the rural areas. I think that is a credit to the Ninth Parliament. There are those who said that the Ninth Parliament is a disaster but I would want to argue that, indeed, this Parliament will be remembered by posterity because of the introduction of the CDF.

(Applause)

The credit goes to this House which, in 2003, decided that we must have the CDF Act implemented. In that regard, although this is not the current Government's dream but rather something dreamt in 2002, when the Cockar Tribunal was established by the Parliamentary Service Commission, the Government gets credit for financing CDF in the last three years it has been in office.

Mr. Speaker, Sir, the NARC Government has had its priorities misplaced. We have given many examples to support this opinion. A good example that I want to give is that, last week, when we passed the Supplementary Estimates, the Government, for instance, removed from the Budget over Kshs500 million which was intended for emergency borehole drilling, and for construction of water pans in ASAL areas. Through the same Supplementary Estimates that we passed last week, the Government removed from the Budget over Kshs500 million meant for construction of rural health centres. Because of the failure of the Government to stick to priorities for development, this House decided that we must use the CDF as the alternative to achieve our priorities in this country.

Mr. Speaker, Sir, we should not lose sight of the fact that what we have been using as the CDF is only 2.5 per cent of the national Budget for the last two years. The Government had an opportunity to spend 97.5 per cent of the annual Budget. If you ask Kenyans today, they will tell you that they do not see the impact of the 97.5 per cent. The impact they see in the rural areas is that of the 2.5 per cent. It is also important to note that the question of capacity by the Government to utilise the Development Vote has been a major concern for the last 15 years.

If you look at the Public Expenditure Review Reports which, unfortunately, are not shared

with the House by the Government and are always given in hotels and other avenues, you will find that the Government does not utilise more than 50 per cent of the Development Vote at any one time. So, we may be thinking that we are taking away development money from the Government but, in fact, the Government is unable to utilise the Development Vote. This is why, last week in the Supplementary Estimates, Kshs7.6 billion was transferred from the Development Vote. In my view, it is important that we look at the proposals.

Mr. Speaker, Sir, the first proposal is on the rate. I find the proposal by Eng. Muriuki to increase the rate to 7.5 per cent modest. However, as hon. Members, it is also not lost on us that it all depends on what revenue the Government can generate and how much money it can raise. If the Government can demonstrate that the revenue base is going to increase to such a point that it will be over Kshs500 billion, then we might accept a possibility that instead of taking a very high figure of 7.5 per cent, perhaps we can look at a more modest figure of 5 per cent. In my view, we should not be looking at less than 5 per cent subject to the amount of revenue that they estimate to give us. If the revenue is at least over Kshs400 billion, the effect of a 5 per cent increase would be the same as what 7.5 per cent would have on the Kshs300 billion of this year.

Mr. Speaker, Sir, the second point is that the CDF has enhanced efficiency in this country in terms of the development of the infrastructure. We have seen the impact that I have mentioned. More importantly, there are three main advantages of having the CDF, which would support the argument that we must, at least, double it. First, in my view, there is a re-distribution of wealth. This may not be seen in that picture, but when you look at what the CDF has done, you will realise that we are re-distributing wealth. We are taking away contracts that would have been given to a few people in Nairobi to the rural areas. That money is being shared out by contractors all over the country. In effect, this increases incomes in many parts of this country.

Secondly, there is equitable distribution of wealth and resources. In other words, there is a sort of devolution of power and resources. Lastly, the CDF eliminates the political patronage that we have had to deal with when we are looking for money. We have always been trooping to Ministers' offices begging Permanent Secretaries to give us money. Today, hon. Members do not have to go and look for money. You sit in your constituency, get your allocation and you can address most of the basic issues that are required.

Mr. Speaker, Sir, the other proposal is on the 5 per cent emergency fund. I support the proposal that the utilisation of the 5 per cent emergency fund should be at the discretion of the CDF Committee. We saw it during the recent drought; where some of us had difficulties trying to get authority from Nairobi to utilise that money. So, the proposal that the CDF committee in the constituency should be the one to decide on how to utilise the 5 per cent emergency funds is important.

On the ownership, however, I do not agree with Eng. Muriuki. I do not support the view that we should put the CDF under a line Ministry. Ministries create a lot of bureaucracy. At the same time, that bureaucracy will lead to delays. We are better off in the Ministry of Finance where we have the Minister for Finance and we can directly go to the Treasury, negotiate and discuss with them what we want. If you go to another Ministry, then you will be creating a very difficult situation because you have to go to that Ministry and that Ministry has again to go to the Treasury. So, we would rather have the CDF matters handled by the CFC Committee.

With regard to implementation, I agree to the setting up of a secretariat instead of the National Fund Management Committee. We should have that secretariat, but we should leave the matter of having the CDF under another Ministry out completely because we will end up getting into trouble.

Mr. Speaker, Sir, my last comment is on the issue of the co-ordinator. I support the proposal that, in order to address the issue of transition of the hon. Members and enhance

efficiency because of the increased percentage, we should have a very qualified and competent person in the position of a co-ordinator. We saw in the case of the Marsabit plane crash where hon. Members went and there was no one to guide the CDF committee and provide the link between the CDF committees and Parliament. It is important that we have a co-ordinator to address the issue of transition.

With those few remarks, I beg to support.

Mr. Speaker: I must come to the Government's side now. I had two Backbenchers. So, I will come to the Front Bench and I see Dr. Machage.

The Assistant Minister for Health (Dr. Machage): Thank you, Mr. Speaker, Sir. Denying Dr. Machage a chance means denying a chance to 100 per cent of the representation of the Kuria people in this House.

(Laughter)

I support the Motion. The CDF has revolutionised the marginalised areas in this country; my constituency being one of them. Indeed, we have seen funds pushed to the marginalised areas that have never been seen since Independence. In the last two and a half years, my constituency has received

slightly over Kshs65 million for its development projects. Indeed, 97 projects that have addressed mainly issues of education and health have adequately been promoted.

Hon. Members have shown that they can adequately utilise this facility with their committees. There is a lot of development, not only in Kuria, but generally in Kenya only with 2.5 per cent of the national Budget. I would wish that the Press does not trivialise this issue. Instead, the Press should seek the views of the people of this country, which are that the CDF has been seen to work.

Indeed, asking for an increase of 5 per cent is modest, like one hon. Member has just said. It would have been better if 10 per cent was directly disbursed to the constituencies. However, there are so many bottlenecks in the utilisation of these funds. When the CDF committee has approved an hon. Member's project, I find it not acceptable for the National CDF Management Committee to disapprove the same because priorities differ. In my constituency, where the illiteracy rate is very high, my priority is the provision of education and where infant mortality rate goes as high as 180 per 1,000, my priority is medical services. So, I find it difficult and unacceptable when I bring my priorities to the House, they are approved and the National Management Committee says that I must have only 50 per of my budget awarded to one specific priority. Education is a priority that requires more than 90 per cent of my budget.

Mr. Speaker, Sir, this bottleneck must be addressed because the clause in the Act that manages the Constituencies Development Fund (CDF) is a bit ambiguous on this. The benefit of the doubt should be given to the Member of Parliament and his committee who desire to have certain projects. In the endeavour to have equitable distribution of resources the CDF has proved to be a facilitator in this country. Indeed, I accept, with my colleagues in this House, that the emergency fund should not be dictated unto. It should be left for the committee to decide on where the priority should be.

Mr. Speaker, Sir, apart from the CDF, with the facilities and functions it has been given, I think an allowance should be given maybe with more funds for the support of the marginalised population in the communities such as the women groups and the youth. This should actually be put into the Act so that Members of Parliament are not tied from addressing these two groups which are groups which have not been fully addressed by the previous Government in terms of facilitation. Otherwise, there should be a clause that allows a Member of Parliament to address in

the name of poverty eradication support to some of the facilities that have been put up by even the teachers. You find that you have teachers SACCOS which have projects of putting up maybe a bank but you are tied. You cannot just put this money into that group because it is called a SACCO. So, there should be some flexibility in the Fund's management.

Mr. Speaker, Sir, like I said, this money is not enough. Maybe it should have been left open, instead of saying "moving the CDF funds from 2.5 per cent to 7.5 per cent of the revenue in the Exchequer" we should say "at least 7.5 per cent" so that this is left for future adjustments relative to the returns from the different constituencies on how the management of the funds has been carried out by Members of Parliament. Let me say here that the CDF is not a Members' Fund. This is an erroneous impression that has been projected by the Press to the people. The Members of Parliament are patrons to the Fund and, indeed, the chairmen as per the Act. This should be understood and not to be trivialised that now Members of Parliament want to increase the CDF funds because they want to buy vehicles. No!

Indeed, I would not want the Act to tie Members of Parliament on what to do with a certain percentage of these funds. If a Member of Parliament thinks that he or she needs a vehicle to supervise his work, he has the mandate of the committee but in my constituency I would not use my funds for that. I have more than enough that needs these funds other than being dictated to by the CDF in the Act that some of this money should be channelled into buying vehicles. However, the idea of building a CDF office is of paramount importance.

Sometime ago, we had Kshs1 million being allocated to support the CDF office construction. There was a lot of hullabaloo from the Press. I beg that they do understand that the CDF office will not only be for the CDF money but we have a lot of constituency functions like the constituency funds, the Member of Parliament's office, the Constituency AIDS Committees (CACs) and so on. So, I think we need a centralised office where most of the constituency issues can be managed from for easy management.

I support this Committee's Report.

Thank you.

Mr. ole Ntimama: Mr. Speaker, Sir, thank you very much for giving me this opportunity to support the CDF Report. This is a very important debate because it is being done for the first time I would say and it is not a wonder for 100 years, that the marginalised areas, the drought-afflicted areas, the people who are left behind, including by the colonialists, have felt that the resources have been fairly and equitably distributed. It is true that these areas until CDF came, had been forgotten and marginalised. They have been areas which had been peripheral but for the first time CDF has come and reached every corner of this country. It has not discriminated against anybody like normally it is done in the main Budget and this little money to the tune of 2.5 per cent to the country has done wonders.

Mr. Speaker, Sir, in some of our areas it has helped us build classrooms which we did not have since pupils were studying under trees. Now we have got an opportunity to build at least some classrooms for these pupils. We have extended a little bit of health work. There were areas that had no dispensary at all; where citizens would walk up to 50 kilometres to reach a health care centre. This distance has now been reduced through building of dispensaries near their homes.

We have also got this question of water in some of these areas. The dams have been built. The boreholes have been sunk even with that little money. It is wonderful that this distribution of resources has helped us people, who not only consider but can verify that we have been forgotten and thoroughly marginalised.

Mr. Speaker, Sir, look at what we have been seeing in north eastern Kenya and not only north eastern Kenya but in all the drought-stricken areas. In fact, this is the first time that the deaths of our people have been recorded. Women and children died of famine. It is because we have not

been distributing resources fairly and equitably.

[Mr. Speaker left the Chair]

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

Mr. Temporary Deputy Speaker, Sir, the truth of the matter is: If we had harnessed the Tana River and the other rivers, these people who died in northern Kenya would not have died. However, what happened to the Bura Irrigation Scheme which they started? It was looted to the bones! What do you expect? It was thoroughly and completely abandoned by the Government. I am saying this because that is much of the same thing of poor distribution of resources. I am not even talking of the roads because it is very expensive. Probably we are not going to ask the CDF Committee to do the roads but this is the responsibility of the Government; at least to be able to do so because some of the roads in some of these areas are cattle, sheep, goat or camel tracks. They are not roads! There are roads that are so important in some of these areas that are not made.

So, I am saying that this fair equitable distribution of resources must continue and must be seen not only to be done in the CDF but also in the main Budget. In the other examples we had here the other day of water resource distribution, it is true that in the Budget some districts were given only Kshs5 million while some other district probably which has got water was given Kshs500 million.

This is unfair and unjust. It is a poor distribution of resources. We are all Kenyans and we deserve equal distribution of resources. The people who need more assistance are those who lack various resources and facilities. It is the sick who require medicine. It is the people who do not have water who require it. We cannot allocate more funds for water projects in areas where there is plenty it.

Mr. Temporary Deputy Speaker, Sir, I would like to thank the National Management Committee (NMC) of CDF for a well-done job. The NMC has been very fair. They need to be lauded. They include some officials of Parliament here. They have performed very well. We should all thank them because they have not interfered with CDF projects.

Democracy demands that citizens participate fully in their development. The CDF has started it very well. The District Project Committees are representatives of the people. They pass on information to the citizens who know that they are supposed to participate in the development of their areas. However, we must be careful, so that this money is utilised properly. There have been a lot of complaints in the newspapers about how we spend CDF money. We should be responsible, so that this money is properly spent. I would not hesitate to suggest that the committee members and even hon. Members of Parliament in some of these areas where there is suspicion that money has been misappropriated, should be investigated. If necessary, they should be punished. This is the truth of the matter because we cannot go on yelling on both sides of the House, "get Ministers sacked" when we are spending CDF money wrongly, as if it belongs to us. This money does not belong to us, but it belongs to the public.

Mr. Temporary Deputy Speaker, Sir, the other issue I wish to stress is that the Minister for Finance must strengthen his Budget position properly. I do not like the idea of him or other officers in his Ministry saying: "After all, we do not need donor funding. It does not help us and it is of no use." That is blatant arrogance. That money goes all the way to support our Budget. We have been having budget support all these years. When we say we do not want any donor funding, it means that we will reduce the Budget. If we do so, we will affect development projects in this country. When there is no money and we refuse to re-consider some budgetary allocation from the donors,

who will suffer? It is the poor and the sick and not the rich who loot money in this country. We will be punishing them by saying: "After all, we do not need any budgetary support from the donors." We definitely need it. This will increase our percentages on our Budget. If it is true that we are so rich now and that the economy is so strong that we do not need donor funding, I wonder. This is not the case!

The 5 per cent should be increased immediately and not tomorrow. This increase will help the people of this country develop in certain areas like education and health.

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

Mr. Muchiri: Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to support this Report.

It calls for our support because the institution of the CDF has assisted the development of this country to a very large extent. The CDF has revolutionised the development agenda of this country. I would like to thank the President because he assented to the CDF Act when others had refused to do so.

Mr. Temporary Deputy Speaker, Sir, the Report talks about various matters, some relating to change of the law and policy. It looks like it was very carefully thought out by the Committee. I must thank the Committee and the Chairman for the good work they have done.

The District Projects Committee (DPC) is a very important committee as far as the CDF is concerned. I would want to see the DPC working more to regulate and arbitrate matters relating to the CDF. I do not see the reason why people should rush to court when they have not reported matters to this particular committee or even the NMC. Therefore, this committee just like the Select Committee has recommended, should be retained in the Act.

Mr. Temporary Deputy Speaker, Sir, we should disabuse the notion that has been portrayed that hon. Members can misappropriate the CDF funds. It is high time all and sundry, knew that most of these funds are sent to a project committee. That project committee is the one which should spend that money properly. The hon. Member is just a facilitator of these funds. He does not sign cheques. For it to be said that an hon. Member can misappropriate money, that is not good politics by those who propagate it in that direction.

I support the idea of the committee that there should be a professional secretariat. I know we agreed that the NMC will be able to manage the funds, but we said that those who sit in that committee come from various institutions. However, we are also alive to the fact that they could also be politicians like we are. So, they could be doing power politics wherever they are. Maybe, as the Committee is suggesting, if we have a professional secretariat, it will go a long way in regulating the management of CDF and related matters.

Mr. Temporary Deputy Speaker, Sir, I support the idea of enhancing the percentage of CDF to 7.5 per cent. It is good for the public to know that the CDF money is just an equivalent of Kshs2 out of Kshs100. If somebody asked you to give him Kshs2.50 out of Kshs100, he is not asking too much. If he asks you to give Kshs7.50 out of Kshs100, that is really peanuts.

I hope that the Government, through the Minister for Finance, will be able to look into this issue with a lot of sympathy for the people who benefit from these funds.

The CDF has benefited all corners of this country. This is one thing that the NARC Government must be very proud of. The number of employment opportunities that the CDF has created is enormous. In Ndaragwa Constituency, for example, when we give money for the construction of a school or health centre, there are a lot of people who are employed for those projects to be completed. So, this has been a source of employment. I believe, if we did the mathematics properly, we have created a lot of employment through the CDF.

The CDF funds are Government money. We, as hon. Members, will never claim that it is from our pockets. However, it is this Ninth Parliament that created the CDF. This is a very

important institution to the people of this country. As we are being bashed left and right, it is high time that we were complimented for having brought into being this particular institution of the CDF.

Mr. Temporary Deputy Speaker, Sir, as hon. Members, our interest is to develop our constituencies. Once our constituencies are developed there will be no need for a change of guard. We promise Kenyans that we are going to develop this country without any fear or favour. I must thank the Government for its guidance on this issue. Procurement for CDF projects has also been made simple for *mwanachi* on the ground to benefit. The Fund is supplementing Government development efforts in rural areas. We must tell the Executive arm of the Government not to depend on the CDF money. We should make it accountable as the rest of public money.

Mr. Temporary Deputy Speaker, Sir, all constituencies should ensure that the other part of Government money is utilised properly. We want to see the Ministry of Water and Irrigation undertaking its projects properly. We should not sink boreholes using CDF money.

We want to see proper management of the CDF Fund. We are very happy that this Fund has gone to the extent of assisting the education system in this country. CDF bursaries are awarded to poor students. We are happy that the Government is also providing some money to promote education. The CDF supplements these efforts.

In a nutshell, I want to support this Motion, and say that we should do what we can, as hon. Members, to support the CDF to grow and be beneficial to the people of this country.

With those few remarks, I beg to support.

Mr. Lesrima: Mr. Temporary Deputy Speaker, I would like to support this Motion. I want to congratulate the Chairman of the CDF National Management Committee for the Report, particularly for pointing out that in many areas CDF funds have been used to speed up development. The Chairman alluded to experiences his Committee has got from going round the country. He said that in many areas CDF funds were used to implement projects that ought to have been done by the Government many years back. There are cases where CDF funds are used to put up police stations.

In my own constituency, I used CDF funds to buy radio communication sets for the police and the District Commissioner.

Surely, the role of providing security to Kenyans lies with the central Government but not the CDF. But sometimes we are caught in situations where we have no choice. Things like providing radio communication sets and establishing police stations are a matter of life and death to our people. I hope that this point will be noted by the central Government to make sure that it takes seriously its responsibilities. CDF funds should be used to undertake people-driven projects in rural areas.

I want to support proposals to increase the CDF rate from 2.5 per cent to 7.5 per cent. I know that the Minister for Finance will say that the pie is limited, and that there is so much in the kitty. We are not asking for extra funds. We are only asking for reorganisation of that pie, so that funds that now appear under the Constituency Roads Fund are reallocated to the CDF. There are other funds set aside for health and water which can be put into the CDF.

I want to support hon. Members who said that the impression created out there is that CDF funds are totally in the hands of the MPs. I think those who read the law governing the CDF know that this is not the case.

(Loud consultations)

Mr. Temporary Deputy Speaker, Sir, I need your protection. There seems to be some recruitment going on here.

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

Mr. Lesrima: Mr. Temporary Deputy Speaker, the impression given to the public is that the CDF is totally in the hands of the MPs. This is not true. The law provides for a committee of 15 members to run CDF affairs. In that Committee we have councillors, religious leaders, representatives of NGOs and youth representatives. In fact, the law provides that the MP be the Chairman of the CDF Committee. However, in many cases, hon. Members are patrons. The law also provides for participatory appraisals to be undertaken. It provides that we should consult the people on the type of projects to be undertaken. So, there is participation of the people in CDF projects.

I agree that we need to improve our capacity as we increase the funds. As we increase the CDF funds, we also need to increase our capacity to manage them. I know that there has been some difficulties in getting co-operation from civil servants. I support the idea of recruiting a co-ordinator who is qualified in economics and community development to run CDF offices. We should also improve our infrastructure by buying vehicles for monitoring and evaluation of projects.

We should also modify the law and re-examine the role of the District Projects Committee. Many districts have several constituencies. As the Chairman of my District Projects Committee, I have no authority to amend the project priorities by my colleagues. So, I think that Committee is redundant. Its functions should be defined to include harmonisation of projects, so that you can rationalise the activities of the county Council and Government departments. We should avoid duplication of efforts during project implementation. I think the role of the District Projects Committee can be brought in at the beginning rather than at the end. I should not be allowed to examine and modify what is done by Members of Parliament.

Finally, I do not support the idea of moving the CDF Secretariat to the Ministry of Rural Development. I was a Permanent Secretary in that Ministry before it was abolished. When it was abolished I went home. We should be satisfied with the current arrangement, or move it to the Budget Office. I think we should not make ourselves victims of another bureaucracy.

With those few remarks, I beg to support.

The Minister for Justice and Constitutional Affairs (Ms. Karua): Mr. Temporary Deputy Speaker, Sir, I rise to support the Motion. The CDF is a good idea for all of us. I know that Ministers and the other Members of Parliament are eager to see their areas developed using the CDF facility. I want to agree with hon. Members who have said that the CDF has made a great impact in all corners of this country.

This being the first Parliament to implement the CDF, we should be careful to set a record that will last for years and be emulated. I am, therefore, calling for an audit of how we have utilised the CDF funds in the last two years, so that it can inform the strengthening of the systems that we are now developing. We should re-examine the system of disbursing the funds from not only the Treasury but also in our own constituencies. We should look at all the areas where people have raised issues, so that we can strengthen the CDF to be a vehicle that will propel this country to an equitable distribution of not only services but also infrastructure. We have seen classrooms, dispensaries, water projects and many other well deserving projects coming up.

Mr. Temporary Deputy Speaker, Sir, I have looked at the recommendations of the Committee which include a draft Bill. I would like to urge hon. Members that we look at the proposed amendment very carefully so that we do not introduce wittingly or unwittingly opaqueness into the management of the Constituencies Development Fund (CDF). There must be checks and balances. The original idea of the CDF, as contained in the Act now, provides sufficient checks and balances to ensure that the money is spent well. That is why we go to the District Development Officers (DDOs) and District Accountants (DAs) for them to check whether we are

using the money in accordance with Government financial regulations. Most of us, as hon. Members, and even the people we employ, may not be familiar with Government financial procedures. It is, therefore, of importance that we retain Government officers who help us to spend the money in accordance with the procedures that are obtaining. They will also enable us to maintain a certain level of transparency.

I am a bit concerned with the proposal that the CDF buys machinery. It is well intentioned. Many areas do not have good roads. Therefore, to many hon. Members, buying a grader becomes an attractive option. Others may think that it is a good idea to buy a vehicle. However, one question that is disturbing me is: If this is a CDF, is it a good idea to introduce a large chunk of Recurrent Expenditure on a Development Fund? Are we not replicating Government Ministries? Are we not replicating what we see as the bureaucracy of the Executive? The money allocated, sometimes, does not show results because almost 70 per cent of the Government Budget is actually Recurrent Expenditure. Only a very small portion goes to development. If we do not watch it, we will very soon make the CDF resemble the Government structures where most of the expenditure goes into salaries and maintenance. We should avoid this and I am expecting that when it comes to the time of the Bill, as hon. Members, we will not only embrace the work of this Committee but also assist them in refining the proposed amendments so that we protect the development core mandate of the CDF. We should not mix it with Recurrent Expenditure.

Mr. Temporary Deputy Speaker, Sir, if I were to buy a grader for Gichugu Constituency - I will not do so - however, if I were to entertain the idea, I would not only use about Kshs14 million to buy but I also have to employ someone to operate it. I will also need to have a maintenance fund. I would go into issues of fuel; I will have to worry where it is stored and whether it is safe. If I were to buy a vehicle for the constituency, all those issues will arise and depending on how well the vehicle is used, I may use twice the amount of money I have used to buy the vehicle, on maintenance only. Our people have a very bad habit, all of us, of misusing and mishandling Government property, especially vehicles and machinery. Until we change that mentality, even for the Government, I am very happy that the Minister for Finance and the Ministry is considering changing the policy on use of Government vehicles. These are the areas that we are losing money from. I would like to urge hon. Members, I included, to sit and dialogue and critically look at what we want CDF to be. If we want it to be truly development, let us very cautiously embrace issues that can become Recurrent Expenditure and which are going to lead us away from our core mandate.

The other point I would like to make is that if, for instance, we were all to buy graders, and the next year we all buy drilling rigs, are we competing with the core mandate of the Ministry of Roads and Public Works and the Ministry of Water and Irrigation? In my view, we are supposed to use our funds on the areas where the Government is not reaching or reaching fast enough. Let us, as the pioneers of CDF, look at all these issues critically and then we pass the amendment. I am supporting the spirit of this Motion before the House but it is our duty to further refine the proposals for amending the CDF Act so that we do not fall into traps while trying to assist ourselves.

Mr. Temporary Deputy Speaker, Sir, the other issue I would like to put forward is that when we discuss how much of the Budget we should take to the CDF - we are all interested in as much as we can because we all have constituencies to think about - I would like to urge my colleague, the Minister for Finance, to take time and take us through the relevant Departmental Committee or together as hon. Members, get to know the monies available, how they are allocated and how much can be available as additional to CDF. Unless the accounts are made bare to hon. Members, we may be at cross-proposes when negotiating the amount that should be utilised as CDF. As hon. Members, we are managers of this great country. It is, therefore, incumbent upon us

to have all the information so that we do not do anything that would otherwise ground services. I think that is why the Constitution boldly provides in Section 48 I hope my memory is serving right that before any matter that requires expenditure is passed in this House, it ought to have the consent of the President or it should be moved by the Minister. The reason is that as a nation, we only have one basket. We need to look at how we share that basket so that we are able to share it equitably and in a responsible manner that does not ground services. Therefore, I would encourage both the Minister and this Committee to sit down and look at the envelope at hand and see how best to make it fit our desires. Otherwise, it is my belief that this Motion is very noble and the ideas in it are good. All that is remaining is for us, as hon. Members, to add our wisdom or contribution to it to form the proposals so that they can become law as is being proposed.

Mr. Temporary Deputy Speaker, Sir, I would particularly ask the Committee to look at the proposal to delete Section 6(b), 7(e) and 8(b) of the current CDF Act. They should see whether deleting them is not actually introducing opaqueness. We must look for systems that open up our operations not only to our constituents but to the relevant line officers and Ministries that may wish to question what we are doing. We are a watchdog institution, we must lead by example and must also open ourselves to scrutiny. Scrutiny sometimes is irritating but it is necessary for a system to function. That is why even the Government of the day has to live with very severe criticism because if we do not live with that, then we cannot improve. We might all slip into our comfort zones.

With those very many remarks, I beg to support.

Mr. Balala: Mr. Temporary Deputy Speaker, Sir, I want to support the idea of the Ninth Parliament, of coming up with the Constituencies Development Fund (CDF). The CDF is the only institution that has shaken all the corners of this country. I want to highly commend the Chairman for the work he has done and particularly, in raising the allocations from 2.5 per cent to 7.5 per cent. I do not agree with my colleague, Mr. Billow, when he says that we should reduce it to 5 per cent. Some of the funds which reach our constituencies are minimal, for some peculiar reasons. When we carried out the 1999 Census, the results were tampered with and some of our constituencies were not considered as populous. They were also under-estimated in terms of numbers and poverty index.

The only projects which are vibrant, exist and compete with the Government, are the CDF projects. The danger in that is that, there is a lot of duplication when a constituency is under a municipality. The councils or municipalities duplicate exactly the same projects the CDF committee has agreed upon. That is where we need some clarity. I do not know at what level we can get some sanity between the CDF committees and the councils, so that rather than compete, they complement each other. We thought the idea of the District Projects Committees (DPCs) should do that job. However, the job of the DPC is not only to reject projects of the CDF committee, but also to understand the financial contributions of CDF in various regions.

I think it is very important to institutionalise CDF. I do not agree that the Fund should be moved to the Ministry of Regional Development Authorities. I believe that we should either have an independent authority to handle CDF issues or the Ministry of Finance creates a section to handle CDF, so that there is efficiency and easy decision-making by the Minister. I think by turning CDF into another Ministry, considering the bureaucracy involved, would cause a lot of problems. Apart from creating a national secretariat which is highly commendable, in the national level, we need to strengthen the secretariat in the constituency level. We will now be handling a lot of money, but we do not have the staff and capacity to handle it. It is good to appoint a coordinator. However, having one coordinator with 25 projects to handle, is not impossible.

The figure of 3 per cent for administration purposes is very small. I think it should be abolished and left to the committee to agree that maybe, it should not go beyond 10 per cent. That way, we will employ more qualified staff to handle the money and have good equipment. I am not talking about graders or motor-vehicles because I know the maintenance costs are high. I am

talking about office administration for administering, evaluating and auditing projects, as well as making sure that the projects are maintained, even after they have been completed. The problem is that after the projects are completed, the committee does not follow up to see if the projects are there or not. That can be dangerous. We should have enough resources like telecommunications equipment and staffing so that we can deliver what we promised our people.

Regarding the element of the Emergency Fund, I know it is at the discretion of the committee after a year has elapsed, to decide on what to do with it. However, when there is an emergency on a particular day and the committee decides how funding will be done--- I can give you an example of an emergency case that occurred in my constituency. It took almost eight months for the emergency to be resolved, owing to bureaucracies between the National Management Office, the DDO and District Accounts Office (DAO). I am very keen in scrutinising the use of funds. I do not want to stop scrutinising them. However, I need to be facilitated rather than be clobbered and be perceived as wanting to take short-cuts.

The possibilities of District Development Officers (DDOs) and District Accounts Officers (DAOs) wanting to take over the responsibilities of CDF should not be allowed. Their role should be advisory and see that procedures are followed, rather than controlling the funds. The Authority to Incur Expenditure (AIE) should be handled by the DDOs and DAOs. However, who should keep the books in terms of accounting, bank reconciliations and statements? Those are some of the problems we are experiencing in coordinating between the CDF offices and the DAOs and DDOs. The decision of deciding what projects should be done should be left, entirely, on the committee and not rejected by the National Management Committee. Projects concerning women affairs, youth affairs and the disabled people should be decided by the local rather than the national committee. It is important to have an audit from the national level, but also from a local level. I think hon. Members, as watchdogs of the people of Kenya, through this House, need to have integrity and be responsible for any penny spent in constituencies. We should not take advantage of situations, but complement situations. I do not believe it is at the discretion of any hon. Member, on any project, to make all decisions. Any decision made should be collectively made by all constituents, from the locational level to the constituency level. I should only give guidance, as a leader of that constituency.

Recently, we have seen some Non Governmental Organisations (NGOs) coming in as watchdogs, alleging that people's money has been misused. They organise workshops and *barazas*, colluding with our rivals to jeopardise CDF projects. They sabotage the projects and incite people against hon. Members or a committee. Who has given that mandate to the NGOs? Who elected them and who funds them? We know that people outside CDF committees are funding them. They want to become loud-mouths so as to control CDF. The CDF projects are real, participative and democratic. They should be encouraged and allowed. We should also channel the roads' HIV/AIDS and bursary funds to the CDF, instead of creating very many committees and not managing them well. I have a problem with my roads committee. It is always wrangling. How do we solve that problem? We should put the committee under the CDF committee. When we have a bursary or the District Roads Committee (DRC) funds, they should be put under the CDF so that there is a clear system of auditing.

With those few remarks, I support the proposal.

The Assistant Minister for Education (Dr. Mwiria): Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me this opportunity to debate on this very important Motion.

I wish to disagree with some sections of the media which have reported that Members of Parliament are pushing for this because they would like to amass power in preparation for the 2007 General Elections. The resources actually go to the people.

The point about equity has already been made. However, I would like to reiterate the fact

that resources that are available from the Government are no longer being used by politicians, be it the President or Members of Parliament to discriminate against those who do not support the incumbent Government. To the credit of the NARC Government, I think it is the first time, in the history of this country, that we are seeing resources being distributed on the basis of need and equity as opposed to certain communities supporting the Government in power. We were all used to the cliché: "When funds become available" or "When you toe the line. So, sycophancy is now a thing of the past, be it in terms of supporting the existing political parties or Members of Parliament feeling that they have to follow individuals who have resources to support them. Today, Members of Parliament can afford to be as independent as possible.

Mr. Temporary Deputy Speaker, Sir, I say that because before, it was not uncommon to find situations whereby people from specific communities were neglected by the Government, simply because their respective Members of Parliament were not in support of the Government of the day. A crime, therefore, against even generations that had nothing to do with how resources were distributed or how their Members of Parliament decided to vote in the House.

The Constituencies Development Fund (CDF), in addition to what has already been said, has also contributed in building local capacity. In most cases, we think of committees all the way from locations to constituencies. It is these committees that constitute the people themselves that decide what they consider to be important. It is not just about designing the projects, but also contributing towards implementation and evaluation of those projects. So, that capacity is necessary if we have to expand the resource base of our people so that it is not left to be a monopoly of a few Members of Parliament or bureaucrats employed by the Government. The people themselves need to realise that they have a capacity and they can contribute in many ways in terms of supporting those who have been appointed by the Government to promote development in their respective communities.

A point was made about wealth creation. It was said that we now have local contractors. In fact, we have people in the rural areas who are employed through the CDF. For Members of Parliament, it is worth to realise that we now attend to few *Harambees* and we are no longer seen as ATMs where we have to contribute to virtually every major expense in the constituencies. That has not only enabled Parliamentarians to be free and concentrate on the actual business of Parliament, but also to look out for other resources outside what the Government provides.

With regard to the CDF resources going further to the people than the Government's own resources, I think that point has been made clear. The best example is what it has cost Members of Parliament and their teams that are controlling the CDF to build schools or dispensaries compared to the quotations that you would get from respective Ministries. For example, it is now quite clear that because our resources are limited and since we need to control them in the best way possible, we can build a classroom for Kshs200,000 or Kshs250,000. However, if you go to the quantity surveyors of Government, they will quantify it at Kshs800,000 which is the cost of building almost three classrooms. This is an indication that when you control your own resources, you ensure that they get to the farthest point and whatever little that is available is used well.

Mr. Temporary Deputy Speaker, Sir, in this regard, you can also say that CDF has contributed in reducing corruption. If you have large resources available for projects in Ministries-- - Sometimes, corruption has been possible because there are resources that are not available for strict auditing. Individuals in Ministries can thus decide, singlehandedly, who gets a big contract. That has really been a problem and it would be better if we had more resources with the people themselves so that they can decide how to utilise them.

Mr. Temporary Deputy Speaker, Sir, the point about auditing has been made. It has been said that Members of Parliament need to ensure that what we have is spent well. We also need to be transparent in terms of deciding how to disburse this money. Even within our constituencies we should not discriminate a location that never supported us politically. Even though we talk of committees, we should not be the ones to decide who should be the members of those committees.

I am afraid, often, this is the case. Even in terms of offering employment opportunities, we should not discriminate because certain people did not support us. We need to take that point seriously.

Mr. Temporary Deputy Speaker, Sir, there have been accusations in the media that some Members of Parliament have been using the CDF money to benefit their own individual projects such as private academies and giving bursaries to students attending their own schools. This is an issue that we need to take account of because if we continue to hear many more of such stories, it will be difficult to convince the Government to increase the amount of resources to be allocated to the CDF. We do not need to have cases that will contribute towards tainting our names.

Mr. Temporary Deputy Speaker, Sir, as far as issues of other resources which are available are concerned, co-ordination is very important. Hon. Balala has already made this point clear. There are resources that are available from other Government Ministries, donor communities and Non-Governmental Organisations (NGOs). We must ensure that we avoid duplication. Just as the Minister for Health was saying yesterday that we need to have a common basket for respective Ministries, I think it is important for us in constituencies to sit with other partners to ensure that the projects that we start are not duplicated by NGOs, donors or religious organisations. If we do not do that, we will not be ensuring that the limited resources that are available do the best that they could. Therefore, co-ordination is critically important.

Finally, there is the issue of sustainability and rationalisation. It is true that we have resources now. One of the reasons why some communities are starting schools is that they can count on CDF resources. So, people are just starting day schools because money is available. It is important for us to also think widely. For instance, after you build a school, where will you get the teachers and pupils from? There is, therefore, need to rationalise whatever we are doing. We must also think of how such projects that we start can be sustained once CDF resources are not available. We must not just start projects or encourage communities to start projects simply because CDF resources are there and other communities have started similar ventures.

Whether or not what we get is 4 per cent or 7 per cent, a great deal will depend on what is available. What is available will depend on what we do as Parliamentarians and others who are our partners in development. We need to create a climate that will make economic prosperity possible. With more development and prosperity, it means less politicking for more resources. That will create a climate that will enable us have more than 10 per cent since there will be visible growth and from which we can draw these resources.

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

Maj. Madoka: Thank you, Mr. Temporary Deputy Speaker, Sir. I stand to support this Motion and state that the CDF money has certainly made a great impact in the various constituencies.

I was happy to hear from Eng. Muriuki that from their audit report, no CDF money has been misappropriated. The media should highlight that fact because there have been very many accusations and counter-accusations on the misappropriation of CDF money by Members of Parliament. I am glad that is not the case. I hope the media will help us in highlighting the proper use of CDF money by Members of Parliament.

The question of raising the CDF allocation from 2.5 per cent to 7.5 per cent is an issue that we need to look at carefully. My concern is that we need a proper definition as to what the CDF money should be used for. I feel that there is a lot of duplication. We get requests from Ministries to do certain projects which we are not particularly fond of in our constituencies. For example, there are cases where the Office of the President or the Commissioner of Police require us to put up a police station using the CDF money. The responsibilities of the Ministry should not be taken over by the Constituencies Development Committees (CDCs). This is an area where I feel that we need to be very careful and ensure that we have a proper definition of what the CDF money should be used for. In my constituency, I know what I need to do and when we are pushed by the Ministries, we normally decline. That should be the position with other constituencies because Ministries

should be able to carry out their responsibilities.

Mr. Temporary Deputy Speaker, Sir, the other area of concern is that the allocation of the CDF money is determined by the poverty levels of every constituency. We are a bit disturbed that certain constituencies whose poverty levels are comparatively not high get a lot more money than constituencies whose poverty levels are very high.

I think there is need to ensure that the statistics we get in terms of determining the poverty levels for each constituency are properly done. We do not want to find a situation whereby certain constituencies are greater beneficiaries of these funds. We have had a lot of problems from AIE holders because we find that most of the times, they are not available. In my area, I have had to stay for two months without getting any cheque signed because the DDOs are not available. I strongly feel that the DDOs need assistants who will be authorised to sign these cheques or ensure that the process does not come to a standstill simply because they are away. We need that as a matter of urgency.

Mr. Temporary Deputy Speaker, Sir, we have a problem in terms of capacity. Since this is the first time we are implementing usage of these funds there has definitely been bottlenecks in certain areas because we do not have the capacity. There is need to develop the capacities in our constituencies to help us implement the various projects which we have. I am glad to see that efforts are being made by the Committee to ensure that we get more funds to do that.

We certainly need some proper co-ordinators in the constituencies to make sure that the projects are properly implemented. We obviously have to pay these co-ordinators adequate salary for them to be able to do the work required of them. They are necessary to ensure that we monitor the various projects and that they are implemented properly.

Mr. Temporary Deputy Speaker, Sir, there is the question of the term of office for the Committee members. I agree with Eng. Muriuki that two years is too short a period because we have taken time to train members of these committees and then we want to send them away after two years. If we do this, we will have to get new members to replace them. This will cause a lot of problems because they have to get to know the systems that we are using. Three to four years would be more appropriate.

I would like to go back to the question of the 97.5 per cent of the Government revenue. I would like to request the Government to ensure that this 97.5 per cent of the collected Government revenue is equitably distributed in the various constituencies because that is where we get a bit disturbed, that there may not be a fair distribution.

With those few remarks, I support the Motion.

The Assistant Minister for Finance (Mr. Kenneth): Thank you, Mr. Temporary Deputy Speaker, Sir. Let me start by thanking Eng. Muriuki and the Members of the CDF for compiling this Report and bringing it on the Floor of the House.

We are not opposed to the adoption of this Report. However, there are various areas that we need to discuss with the Committee. It is always a difficult start whenever something new is involved. Some of the things that are in this Report are as a result of that being the very first time that CDF has ever been in this country. I think the NARC Government must take credit for it.

Mr. Temporary Deputy Speaker, Sir, the CDF---

Mr. Raila: On a point of order, Mr. Temporary Deputy Speaker, Sir. Is the hon. Assistant Minister in order to mislead the House that this was a Government initiative when we all know that the then Minister for Finance actually opposed it? It is a Parliament initiative.

The Assistant Minister for Finance (Mr. Kenneth): Mr. Temporary Deputy Speaker, Sir, Mr. Raila who was a Minister in the NARC Government, helped to see to it that the CDF Act came into being.

Mr. Temporary Deputy Speaker, Sir, we all appreciate what the CDF has done for this country. We know that a Government that runs the taxation regime and sees to it that the taxes are well utilised, is a Government that the citizens of a country would like to see in power for many

years to come.

In various areas where the CDF has been put to good use, we have not only seen the cessation of harambees, but Kenyans are also saved the agony of participating in those Harambees. Some money would have been raised not through school fees or by getting levies that would have been charged for various development of schools.

Looking at what the committee has raised, there are only a few grey areas that we need to discuss further. I am glad that certain Members of Parliament have seen it fit to oppose the transfer of the host Ministry from the Ministry of Finance to the Ministry of Regional Development. These are consolidated funds. They are based at the Treasury. Therefore, it is important that the Treasury remains the host Ministry. Whether I am in that Ministry or not, I strongly feel that the rightful home for these funds is the Treasury.

Mr. Temporary Deputy Speaker, Sir, the second issue is on the National Management Committee (NMC). I know that the Chairman has spoken about the National Management Committee passionately. As I said, at the start of everything, there are difficulties. There were, probably, a few things that did not go well. It is in the interest of this House that the NMC remains. It is in the interest of this House that we have a committee that works for us and that the Select Committee remains a watchdog of that committee and the CDF activities.

I am sure when we discuss the proposals further we will be able to agree on this, that for our protection as Members of Parliament and for the good of articulation of what we are doing; and the dissemination of information of the CDF to members of public, the NMC should remain.

Mr. Temporary Deputy Speaker, Sir, there has been the issue of the percentage and I know that is very dear and critical to Members of this House. At the moment, what is there is 2.5 per cent. When we started, the percentage was based on gross revenue which was nearly Kshs180 billion. The 2.5 per cent of today's gross revenue is based on nearly Kshs300 billion. So, there is an upward impact on percentages.

Members of Parliament have questioned the rationale of 97.5 per cent and the need to cut into that. With free education, the education budget went up. The Ministry of Education, the Ministry of Health and the Ministry of Road and Public Works control over 60 per cent of the 97.5 that is left after CDF. Despite all that, we are ready to sit down with the Committee and see how we can negotiate on a percentage. Mr. Temporary Deputy Speaker, Sir, our view is that we should look at taking the percentage up with a view of having the minimum that it can ever be. We feel that we can have a minimum percentage which is not 2.5, but which we can discuss with the Committee.

Mr. Temporary Deputy Speaker, Sir, in discussions of the percentage, we also take cognisance of the fact that Section 48 of the Constitution requires that anything that would be charged to the revenue is given approval by the Executive, so that when we agree with the committee, we are able to come up with a Bill that has already been consented to by His Excellency the President. Regarding the amendments that have been put there, there are a few issues which show conflict of interest, especially when you look at checks and balances. If you look at the Financial Management Act, there are a few contradictions between it and what is put here. We feel that those are issues that we could discuss with the committee.

There are also small issues like having recurrent budget for the committee that we need to look at, so that we do not transfer certain laws to the committee that should not otherwise be transferred. But overall, we feel that we support the adoption of this Report and we would like to sit down with the committee and discuss. I know that some hon. Members have talked about 7.5 per cent and some have talked about 5 per cent. I do not think that we would differ much with the committee when we sit down and look at the reality. We believe that we would be able to come up with a minimum percentage that can be there to ensure that in future, if we have to discuss any other upward mobility, with that minimum which is already set, then we could be able to agree without having to amend the Act.

We also anticipate that the taxation regime will have some growth. We expect that with the Electronic Tax Registers (ETRs) now coming into being, we should be able to see that taxes have gone up beyond Kshs300 billion. Therefore, we feel that whatever percentage we agree on, we should be in a position to see that the Constituencies Development Fund (CDF) amounts are higher than they are today.

Mr. Temporary Deputy Speaker, Sir, I want to plead with hon. Members that, we know we need CDF--- As Mr. Balala said, we only have one pie and we need to re-adjust here and there. But we must also take into consideration, other factors like the Free Primary Education Programme, health matters and the main trunk roads of this country. We will not be very far from what we are proposing but I think we support the adoption of this Report.

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

The Temporary Deputy Speaker (Mr. Khamasi): What is it, Mr. Midiwo?

Mr. Midiwo: On a point of order, Mr. Temporary Deputy Speaker, Sir. Mr. Midiwo is just wondering if the Minister is in order to mislead the House that CDF is not aiding the free primary education. If he may wish to know, I am spending over 90 per cent of my CDF on free primary education.

The Temporary Deputy Speaker (Mr. Khamasi): Order! Mr. Midiwo, that is your argument which you may express, if you stand and I give you an opportunity to speak. The Assistant has his say and anybody who wants to say something contrary to that, he has to stand up and catch my eye.

Yes, Mr. C. Kilonzo!

Mr. C. Kilonzo: Mr. Temporary Deputy Speaker, Sir---

The Temporary Deputy Speaker: Order! Did you finish, Mr. Assistant Minister?

The Assistant Minister for Finance (Mr. Kenneth): No, Mr. Temporary Deputy Speaker, Sir.

The Temporary Deputy Speaker (Mr. Khamasi): I am very sorry about that. So, you can continue! Sorry, Mr. C. Kilonzo.

The Assistant Minister for Finance (Mr. Kenneth): Mr. Temporary Deputy Speaker, Sir, I was about to end when Mr. Midiwo stood up on a point of order. Maybe, just to respond to him, when I talked of free primary education, I talked of the materials that are provided for every primary school and there is no school fees paid and the teachers are paid by the Government. I am sure the CDF of Gem Constituency does not pay the teachers who teach in primary schools. They probably complement in building of classes. I know that hon. Members are eager to speak. I was just trying to articulate a position that we could move forward with.

With those few remarks, I support the adoption of the Report.

The Temporary Deputy Speaker (Mr. Khamasi): I have seen you Mr. C. Kilonzo.

Mr. C. Kilonzo: Mr. Temporary Deputy Speaker, Sir, thank you very much for giving me the opportunity to contribute to this important Motion.

Capt. Nakitare: On a point of order, Mr. Temporary Deputy Speaker, Sir. This topic has been going on and on and there is repetition. Could we call the Mover to reply?

(Applause)

The Temporary Deputy Speaker (Mr. Khamasi): I know that there is still a lot of interest in this debate. But I must also refer hon. Member to our Standing Order No.87 - repetition, either using your own facts or facts which have already been used. I am not hearing much in terms of difference of facts which have been used on the Floor. I will give a few people a chance to speak but I would like you to tell me something new that I have not heard. I will hear that application later on, Capt Nakitare.

Mr. C. Kilonzo: Mr. Temporary Deputy Speaker, Sir, first of all, I would like to thank the

former Minister for Finance. As a Member of the CDF committee, I feel that the Minister played an important role in the early stages of the implementation of CDF. On the same note, we have not got much co-operation from the current Minister for Finance, but I am happy to hear that he is willing. But I would like to know if that is the position of the Minister. On two occasions, the committee has invited the Minister to come and advise it, but on those two occasions, he neither showed up, sent apologies nor sent a representative. The decisions which were made by the committee were based on what the committee thought is the right way to go. Obviously, if the Minister for Finance is keen, then it is important that he comes and advises the committee. The issue of increasing the CDF funds has been talked about a lot. I am not going to over-emphasize on the need to increase the amount. We are willing as a committee, to hear from the Ministry of Finance about the position. But nevertheless, we should not over-look the fact that over 80 per cent of the population is based in the rural areas where the CDF funds are targeting.

Mr. Temporary Deputy Speaker, Sir, another issue that most members have not noticed, among the proposed amendments, is to ensure that funds which have not been spent by Ministries are directed to the CDF. The main reason is not to get the money coming from the Ministries but to encourage them to make sure that at the end of the financial year, they have spent the money. It was alarming that in the last financial year, over Kshs8 billion was returned to the Exchequer.

Mr. Temporary Deputy Speaker, Sir, why does the committee feel that the National Management Committee should be done away with? There are several reasons. The Government spends 97.5 per cent on the National Management Committee. Why should we have a National Management Committee to supervise the 2.5 per cent. The other main reason was the money being spent by the National Management Committee. In the 2004/2005 Financial Year, the National Management Committee, within a period of four months, spent Kshs55 million, out of the budget which was Kshs168 million. The following financial year, 2005/2006, their budget was Kshs310, and within the first eight months, they had already spent Kshs127 million. The National Management Committee has proposed a budget for the 2006/2007 Financial Year, to the tune of Kshs578 million. We felt that we have Ministries which deal with respective budgets and there are no national management committees to manage those Ministries. We thought that it is not necessary. We would rather have the CDF money transferred to another Ministry. The reason of transfer was frustration from civil servants within the Ministry of Finance. The committee, ever since its inception, with the exception of the Minister, faced very many frustrations.

Mr. Temporary Deputy Speaker, Sir, so, we recommend that we do away with the National Management Committee.

We also need some clarity on the type of projects to be funded. The National Management Committee has been telling the constituency committees that you cannot buy land. But when you go to the Coast Province, for instance, if you cannot buy land, then you do not need the money because there is nowhere to spend the money. So, we have gone further and specified that you can actually use the money to buy land and even buildings. We have gone further and clarified that you can buy vehicles, other machinery and equipment like water pumps. But we also need to be careful and draw the line because we might end up spending a lot of money on Recurrent Expenditure.

We also explored the issue of sports and cultural activities. Members have been contributing from their own pockets to finance these activities and it is very expensive. The constituency committees are actually executive. But for CDF to be able to function, we felt we need a co-ordinator, who would be the custodian of all records and bring returns. The same person could also be the AIE holder.

With those remarks, I beg to support.

The Minister for Housing (Mr. Shitanda): Mr. Temporary Deputy Speaker, Sir, I wish to make a few remarks on this very important Motion. First of all, I would like to join those who have thanked the Mover, and also thank the Minister for Finance for supporting the Motion.

We all know the achievements that our constituencies have had through the CDF

programmes for the last two or so years that it has been in existence. As we move to seek amendments to the CDF Act, we must actually move with some bit of caution. We know these amendments are very important, especially the increase of the amount. While we seek the increase, we must look at the capacities of the various constituency committees in managing these funds.

Mr. Temporary Deputy Speaker, Sir, the achievements made by the various constituencies have been attained under very difficult conditions. The involvement of the so-called District Development Officers (DDOs) and District Accountants (DAs) have in one way or the other, hampered the speedy implementation of projects in very many constituencies. If the bureaucracies experienced at the District Treasuries are not checked, the CDF achievements could start taking a nosedive even as we try to increase the Fund.

Mr. Temporary Deputy Speaker, Sir, the DDOs have been very selective in the manner in which they approve projects for constituencies in given districts. You will find that a constituency that does not bend to the wishes of the DDO will normally go through a lot of frustrations even where a project proposal has been made to the National Management Committee and approval has been given and funding availed. But the DDO will try all manner of ways to frustrate those constituencies that do not succumb to their demands. This is an area where, as we seek to amend the CDF

Act, we should try and decrease the level of participation of the District Treasury in issues of CDF.

Mr. Temporary Deputy Speaker, Sir, there is the bursary element that we have been handling through the CDF. I think we should harmonise that with the one being handled by the Ministry of Education, Science and Technology by having all bursaries under the CDF or we remove it altogether from CDF, so that anybody seeking bursary can go to the DEO's office. This should be the same with university loans. In some cases, the CDF committees have had to disburse bursary funds to university students who turn out to have been given enough money through the Higher Loans Education Board (HELB). There is no mechanism at the CDF level of ascertaining whether a particular student has benefited from the HELB or not. So, these are the issues that we should address in the amendments so that we have clear guidelines.

Mr. Temporary Deputy Speaker, Sir, I would also like to talk about the aspect of poverty within the CDF. One of the core goals of CDF was actually to deal with poverty. But when you look at the regulations guiding CDF, there is very little that touches on poverty programmes within the constituencies. Maybe, as we try to amend and broaden the areas to be covered by the CDF, we should also look at areas that touch on poverty so that they are allowed to be funded through the CDF programmes.

With those remarks, I beg to support.

The Assistant Minister for Co-operative Development and Marketing (Mr. Mwenje): On a point of order, Mr. Temporary Deputy Speaker, Sir. I do realise that there is no new point coming up. In that respect, would I be in order to ask that the Mover be now called upon to reply.

The Temporary Deputy Speaker (Mr. Khamasi): Yes, I think it is reasonable for the House to consider that now.

*(Question, that the Mover be
now called upon to reply,
put and agreed to)*

Eng. Muriuki: Mr. Temporary Deputy Speaker, Sir, let me start by thanking all the hon. Members who had the opportunity to support the Motion, as well those who did not have a chance to speak but are with us spiritually.

Mr. Temporary Deputy Speaker, Sir, I wish to thank the Assistant Minister for Finance for his response. I wish to comment on a few points he raised. As the Constituencies Fund Committee, we are more than willing to sit with the Minister for Finance and discuss the fine points they have

raised, some of which we have, really, delved into and discussed amongst ourselves.

Mr. Temporary Deputy Speaker, Sir, we have consulted but we will be happy to consult even more. However, I would like to point out that we have called the Minister for Finance, who is a very good friend of mine. We meet with him very often within Parliament Buildings and outside, but when we invite him to come to the Committee, he becomes unavailable. So, I plead that either himself or one of his assistants avails himself to our committee meetings. We even have a meeting scheduled for Friday morning.

Some of these points could be ironed out. One of them is the issue raised by hon. Members of the host Ministries. We looked into this issue exhaustively, comparing the pros and cons of the same. So, I do not need to delve into it now. What we are after, and what we are advising hon. Members to agree with in the Report is that we should not have two parallel policy bodies. Let us have one policy body, which is the Select Committee, on behalf of Parliament, and the Constituencies Development Fund (CDF) Secretariat.

Mr. Temporary Deputy Speaker, Sir, on the issue of having the secretariat hosted by the Ministry of Finance, or by another Ministry, we would like the Ministry of Finance to come to our meeting and have the matter discussed collectively. We already have the Draft Bill, but we can agree on the issue and have it amended.

Another issue I would like to comment on is the misconception by my friend, the Assistant Minister for Finance, that the NMCs are watchdogs. They are the ones who have been fighting the CDF left, right and centre. For instance, there are many constituencies which want to buy graders. There are pros and cons to consider before settling for such decision. Some constituencies may not want to buy graders for their own reasons. However, when a CDF member goes round every provincial headquarters fighting a policy like that one, we cannot go the same route with him.

Another issue is the increase of the funds to the CDF. I would like hon. Members to note that in our Report, we observed with a lot of concern that at the end of the last financial year, a lot of money provided for various projects through the Budget was returned to the Treasury because the Ministries could not utilise it. At the same time, the CDF Committees utilised their money. So, not only should we increase the CDF allocation from 2.5 per cent to 7.5 per cent, but we should also put into the CDF all the money that the Ministries fail to use.

Mr. Temporary Deputy Speaker, Sir, there are a few other issues raised by hon. Members. One of them is the issue of frustration caused by District Development Officers (DDOs). The introduction of the CDF co-ordinator at the constituency-level is the first step of getting rid of the DDOs. We do not want the DDOs in the constituencies. They should concentrate with their work at the district level. After all, they are employees of the Ministry of Planning and National Development. Let the DDOs continue doing whatever they have been doing. In fact, the Authority to Incur Expenditure (AIE) should be given to the Constituency Development Committee co-ordinators, so that the problem comes to an end.

(Applause)

However, as a Committee, we have recommended, and insist, that we must have the Government's signature with the District Accountants. We need to have the Government signature to show that the Government is involved. We are, however, relaxing that position. We are saying, each District Accountant should have an effective deputy, so that when he is not available, the Government signature can be available. Basically, we want to ensure that these people take care of the interests of the Government.

An hon. Member also pointed out the issue of the projects committees. The way the CDF is structured now is such that all CDF projects will be implemented by the project committees; that is to say the school committees, dispensary committees, *et cetera*. In fact, contrary to belief that we, hon. Members, steal CDF money, if anybody is going to misappropriate CDF money, it is actually

the projects committees. It could, for instance, be the school board of Governors, and not an hon. Member.

Mr. Temporary Deputy Speaker, Sir, we have also introduced a number of new body-line cases, which were not there before. They include environmental conservation, monitoring, evaluation, capacity building, culture and sports. So, we would like to have these incorporated in the Act. We also urge hon. Members to utilise them once they become part of the Act. We should not have a capacity building team and fail to utilise it.

Government officers also require to have capacity building. It is our observation that CDF implementation has consistently been achieving 50 per cent cost of implementation as compared to the Ministry of Roads and Public Works. For instance, you find that where the Ministry builds a classroom using Kshs600,000, the CDF does it with Kshs200,000 or Kshs300,000. So, the aspect of capacity building should also be extended to Government officials implementing projects. They should learn from the CDF.

Mr. Temporary Deputy Speaker, Sir, there was also the issue of District Projects Committee. While moving the Motion, I said that we considered what it is for. We have now proposed to remove from it any mandate to approve anything. However, we retained it because we want it to be the watchdog to watch over monies going to the districts from other sources. For instance, we have the Local Authorities Transfer Fund (LATF) money, and other monies from the Government, going to the districts. We would like to have a body which can act as watchdog over those monies. We have left the District Projects Committee intact to play that role.

There are a few quite drastic proposals which have been raised by our Committee. One of them is the proposal to increase the funding of the CDF. Others relate to the management committees and the CDF Secretariat. This kind of Report, as per the CDF Act, should come to the House every two years. So, on the basis that we shall bring another Report to the House after another two years, some of these sentiments can be addressed then.

Mr. Temporary Deputy Speaker, Sir, the Minister for Justice and Constitutional Affairs raised very strong sentiments regarding the purchase of graders and vehicles for constituencies. I would like to explain that the CDF only wants to finance the purchase of the graders. Once the graders are financed, they will remain the property of the Ministry of Roads and Public Works. The Ministry will run and maintain them. The CDF wants to buy the graders but they cannot be taken outside the geographical area of the constituency.

The Minister for Finance raised an issue regarding Section 48 of the Constitution. Let us not ground ourselves through something which is not real. Section 48 of the Constitution provides that the House shall not proceed to debate something on which His Excellency the President has not given his consent. The law does not say that debate on such an issue must be initiated by the Minister. All that the law says is that the President has to be requested to agree for debate on such an issue to proceed. Unless the Minister is saying that the President has refused to give consent on this matter, we should proceed.

Mr. Temporary Deputy Speaker, Sir, I have already filed a Notice of Motion, seeking leave of the House to initiate debate on the Bill. I wish to express the concern that even if the leave of the House is granted, the number of steps needed to make this law is quite big. So, I appeal that we hasten debate on this matter to avoid being overtaken by events. If we delay, preparation of the Budget will be completed before we are through, and we will not have a way of implementing these proposals.

With those very many words, I beg to move.

(Question put and agreed to)

BILL

Second Reading

THE COTTON (AMENDMENT) BILL

Dr. Ojiambo: Mr. Temporary Deputy Speaker, Sir, I beg to move that the Cotton (Amendment) Bill be now read a Second Time.

I am glad the House has adopted the Report of the Constituencies Fund Committee. This will give hon. Members time to debate the Cotton (Amendment) Bill.

This Bill aims to revive the cotton industry, but more importantly, it has a lot to contribute to the Poverty Reduction Strategy of the NARC Government. I hope that what we have proposed will interest the Government and it will be taken seriously. It is in the interest of Kenyans to improve their economic status.

Prior to 1991, and a lot of this came to the Floor when we were discussing the Motion that enabled us to prepare this Cotton (Amendment) Bill, the cotton industry was very vibrant and contributed a lot to the economy of this nation. In 1991, the Cotton Board of Kenya, that had controlled the cotton industry in terms of regulation, licensing, control of ginneries, pricing and the quality control of plant seed, collapsed. The Government decided to liberalise the cotton industry. This literally amounted to the withdrawal of services from the cotton growers. At that stage, the cotton ginneries that had been maintained by the cotton growers were privatised. Some of them were privatised without the knowledge of the cotton growers. The cotton growers had maintained the services of the cotton industry under the cotton co-operative movement. The co-operative movement also collapsed. The Cotton Board of Kenya was literally left without a role to play because private investors came in and took over the cotton ginneries. The liberalisation, therefore, created an institutional vacuum. In the absence of the functions of the Cotton Board of Kenya and its services of regulating, monitoring and the development of the cotton industry, the industry collapsed. What is amazing is that even up to today, this country still maintains the Cotton Board of Kenya and the Cotton Act, Cap.335, as the only instrument that the cotton farmers are depending on.

Mr. Temporary Deputy Speaker, Sir, the cotton industry suffered a lot in 1991 when the sector was liberalised. As I have said, the industry collapsed and, therefore, the yields dropped from 120,000 bales to 5,000 bales. At that time, there was a potential of farmers improving their yields to 300,000 bales. The industry literally collapsed and the farmers could not any more contain the production and the monitoring of the plant seed. Some of the seeds that remained were contaminated and of poor quality that could not improve the industry. The cotton lint was of poor quality because it was grown from poor seed. There was total lack of research and extension services because the Cotton Board of Kenya collapsed. Therefore, there were no cotton extension services from any of the officers. The farmers lacked credit facilities to enable them to buy inputs. Therefore, even the stakeholders' associations collapsed.

Mr. Temporary Deputy Speaker, Sir, the industry has suffered a lot of under-cultivation of land because the farmers could no longer maintain the service and, therefore, the strength to till the land. In this country, we have over 400,000 hectares that was under cotton cultivation. This went to waste. We also have a potential of raising further 600,000 hectares from the land that is held by the local authorities and other authorities such as the Tana and Athi River Development Authority (TARDA) that could be put under cotton production. This could no longer be utilised because the cotton industry had completely collapsed. It was due to this that consideration was given by the stakeholders in the cotton industry to support the amendment of the Cotton Act, Cap.335.

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

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

Mr. Temporary Deputy Speaker, Sir, the amendment of the Cotton Act, Cap.335, was necessitated by the need to harmonise the Government policy changes that had come in due to the liberalisation of 1991. First, the amendments were necessary in order to provide for the establishment of a cotton development body that could revive and sustain the activities of the cotton farmers. Secondly, it was necessary to regulate the privatisation that had taken place in the cotton sector immediately after liberalisation. Thirdly, they were to provide for financing of the sector. There were no more funds because the co-operative movement had already collapsed. Fourth, there was need to bring stakeholders into the fore, so that they could manage their sector. Lastly, the amendment was to reflect the liberalised status of the sector. With this, we went on to put together the amendments that have been reflected in the Cotton (Amendment) Bill.

The key amendments to the principal Act, Cap.336, provide for the promotion of the cotton industry. If the hon. Members have looked at the Bill, they will realise that in Section 5(3)(i), we have established the Cotton Development Authority. It is a body corporate with an expanded Board of 15 members, taken from stakeholders from all over the country. The members have been brought together and they have decided that they need to expand the services, the understanding and the control of their own activities.

For this, therefore, the provinces that grow cotton, each has now decided that they will elect a member. So, from seven provinces, seven members are going to be part of the board. To add to the seven members, the cotton stakeholders' bodies which were never used in the cotton board before have also been asked to produce four members, after their election, to add to the seven. Together with the *ex-officio* members from the Ministries particularly the Permanent Secretary - that support the cotton industry, that is the Ministry of Agriculture, Ministry of Finance, Ministry of Trade and Industry, plus the chief executive who is going to be part of the board, brings the total to 15.

Mr. Temporary Deputy Speaker, Sir, the principal Act has, therefore been amended by deleting the word "Board" from the Cotton Board of Kenya and instead replacing it with the word "Authority".

(Applause)

Mr. Temporary Deputy Speaker, Sir, Section 7(5)1 of the Cotton (Amendment) Act is amended to provide the Cotton Authority with the mandate to promote, co-ordinate, monitor, regulate and direct the cotton industry in Kenya. This is going to repeal all the outdated provisions in the Cotton Board of Kenya in the Act that we are replacing and give the mandate to the cotton farmers.

The cotton farmers, through the new Cotton Authority, are going to be able to establish the Cotton Development Authority of their own, which will involve, as I have said, all the stakeholders in the cotton industry with a board of 15. The Authority will now have the capacity to advise the Government, rather than the old board where the Government was literally directing the services and, therefore, the management of the cotton industry to farmers. The farmers will now control their own activity.

Mr. Temporary Deputy Speaker, Sir, the Authority will also monitor cotton production as they advise the Government. They will also participate in initiating strategies to achieve the optimum levels in the production, in both quality and quantity. The Authority will ensure that production, supply and distribution of plant seeds comply with regulations as contained in this Act. The Authority is also in this new amendment empowered to set standards and to enforce compliance with the standards for the assessment and grading of cotton seed. The Authority itself will be able to determine standards for cotton lint classification and enforce compliance with such

standards, and monitor compliance with international lint standards.

Mr. Temporary Deputy Speaker, Sir, the Authority is empowered further to establish and maintain an up-to-date data base for the cotton industry in the country. The farmers must know what is happening around, and equally share knowledge and the products of their own industry.

Mr. Temporary Deputy Speaker, Sir, we have also suggested and given in this amendment to the farmers mandates to collect, analyse and disseminate information and statistics on the areas under cotton cultivation yields and any trends in the cotton industry so that they can again share the markets, knowledge and any foreign information that can reach them from other countries.

Furthermore, the Authority is mandated to promote and give technical or financial support to education programmes, courses, seminars, workshops, visit tours and such other agricultural shows that will further empower the cotton growers to have more competence in their areas. The amendment also, and this we have done with consultation and harmonisation of the amendment with the Ministry of Agriculture, suggests to propose a Cotton Development Fund, which the Minister for Agriculture will bring to the House with appropriate amendments.

Mr. Temporary Deputy Speaker, Sir, we have, therefore, presented these amendments so that they can empower this Government to deal with situations like the African Growth and Opportunity Act (AGOA). When opportunities came to Kenya for our country to benefit from foreign investments, we were not able to do so because of the low yields of our own products and we could not even benefit because what we have been seeing happening in this country in the cotton industry was our farmers importing cotton from Uganda and Tanzania and bringing it here and utilising that to say it is our local cotton when, really, it was not because we had no capacities; and secondly, bring in material from elsewhere and have it turned into apparel at the Export Processing Zones (EPZ) and labelled Kenya products when they really were not our own products.

Mr. Temporary Deputy Speaker, Sir, we have seen our cotton ginneries collapse and, therefore, nothing has been happening in this country. We want, through this amendment, to ensure that these services are returned to our people so that farmers in this country are able to control the industry. If we do this, this country can grow and produce quality cotton, spin and weave it and turn it into apparel. We want to see our own farmers add value to our product and, therefore, compete in international markets. We have, therefore, worked together with the Cotton Stakeholders Forum and the Ministry of Agriculture and harmonised the amendment to this Act. The Minister, in his contribution, I believe, will bring the appropriate amendments to the areas where I mentioned that we need a Cotton Development Fund. We would like to request the Minister to release the Kshs206 million that was in the Budget to cotton farmers so that they can start immediately to develop the industry through seeds improvement and also start to prepare their ginneries.

Mr. Temporary Deputy Speaker, Sir, we have included in this amendment, a transitional clause which will help the Minister to support the Authority to handle the liability that is being passed on to the new Cotton Development Authority.

Mr. Temporary Deputy Speaker, Sir, in summary, I would like to say that the amendment has come at a right time to empower cotton farmers. With the collapse of cotton industry, many Kenyans lost job opportunities. In fact, we lost over 600,000 job opportunities. We have also not empowered many Kenyans to benefit from economic development such as through the Constituencies Development Fund (CDF). In constituencies and provinces where farmers depend solely on cotton farming for economic empowerment, they have not benefitted because they lack the technical know-how to develop this industry. I hope that hon. Members will support the amendments to this Bill and empower our farmers to move on.

Mr. Temporary Deputy Speaker, Sir, since I know that hon. Members want to contribute to this Bill, I will not belabour much on any point.

I beg to move and ask Eng. Okundi to second this Bill.

Eng. Okundi: Mr. Temporary Deputy Speaker, Sir, I stand to support and second this important Bill. The cotton industry collapsed in the early 1990s when the co-operative societies, which were running this industry, also faced very big difficulties of loans which could not be repaid. This Act is long overdue because at that time there was the Cotton Lint and Seed Marketing Board Act. That Act regulated the industry and encouraged farmers to find markets for the lint and cotton seed. It also promoted the activities of the co-operative societies which were pushing for the cotton.

Mr. Temporary Deputy Speaker, Sir, this country seems to have let go the revival and vibrancy of this particular industry. We did not support this industry the way we supported other industries like tea, coffee, pyrethrum and sugar. At that time, the Tea, Coffee and Sugar Acts were reviewed substantially. They were so well improved that the prices that were going down seem to have come up. A similar thing was required for the cotton industry.

Mr. Temporary Deputy Speaker, Sir, most of Kenya constitutes of arid land. It is either semi-arid or purely arid land. Most of our people occupy this land. The advantage with cotton is that it fixes nitrogen in the soil and improves the fertility of the soil. It is a crop that can grow in very marginal land. As a result, it is extremely suitable for the Kenyan soil. Indeed, it was one of crops that helped to develop our nation economically. It is the cotton industry that helped a country like the United States of America to develop. Therefore, it is a crop of great economic importance to their economy. In fact, it is quite difficult for the United States of America to assist other countries with the techniques of growing this crop. This is why we, as a country, need to face the cotton industry squarely. This industry will employ many of our people and earn a living.

Mr. Temporary Deputy Speaker, Sir, with the collapse of the cotton industry in this country, textile firms also collapsed. Textile firms cannot operate without sufficient cotton production in order to provide raw materials. It is important that this Bill has at long last been brought to the House. Let us discuss it and make sure that it is implemented quickly, so that it can facilitate the revival of the textile industry.

Mr. Temporary Deputy Speaker, Sir, cotton consist of two main parts. One part is the lint itself which provides the fabric. The lint is just about a third of the total amount of cotton we can produce. The seed is the other part which provides a quantity of about two-thirds of the total cotton produced as raw material. These two products promote parallel industries, one for lint fibre and all the other things used for spinning. The seed is used to produce vegetable oil as well as the seed cake for animals feeds.

I want to assert here that because we did not do much in the cotton industry, the *mitumba* trade found its way into our country and as a result, textile factories collapsed. Cotton farming was abandoned because there was no benefit in farming it. The countries that have *mitumba* have found a way of bringing their clothes at the expense of our textile industry.

Today, we have the African Growth and Opportunity Act (AGOA). This act allows African countries to export specified products to the American market and enjoy highly reduced duties. If we had a good cotton industry, we would have substantially improved our incomes and increased the development of our country. But AGOA has nothing to do with the cotton lint we are talking about. It refers to the clothing made from cotton lint products. So, we must grow cotton, harvest it, gin it and produce apparel to be exported directly to the USA. So, the AGOA will only benefit us if we promote the cotton industry.

The application of AGOA too is for a limited period, so that if we do not take advantage of it now, as a country, we will lose the benefit that should accrue from it. I know that the EPZs have grown substantially because they imported cotton lint from countries like South East Asia and produced apparel in Kenya. We need to do something quickly.

All this cannot happen without the Cotton Act we are talking about today. If we had this

Act in place, a number of regulatory activities would have taken place. Our farmers would have been happy. The Government would have seen it fit to come and help as necessary.

It is said that over 400,000 hectares of land was under cotton cultivation during the height of the textile industry activity in this country. The cotton production potential in this country is over 600,000 hectares of land. This advantage enjoyed by Kenya, in terms of good land for cotton growing, must be exploited. We are proposing that we will see more free education to our people as we develop incomes in the industry further.

Mr Temporary Deputy Speaker, Sir, I would like to thank the Government because, even before this Bill is debated and passed, it took the initiative to put Kshs200 million in the current financial year to jumpstart the revival of the cotton industry.

I am, however, a little bit disappointed that this fund is trying to grope in the dark to see where it can be applied to be extremely effective for the requirements of our country in the cotton industry. There is no legal instrument, like the Cotton Act we are talking about, to direct the use of this money. At the moment, the Government is forming apex bodies to try and use this money. This money is primarily required to give farmers the right kind of cotton seed. If we do not have the right kind of cotton seed, we shall have trees growing in the name of cotton. It will not be worth selling. This fund ought to be arrested quite quickly with the passing of this Bill so that it can be utilised strongly and better for the benefit of our farmers.

Mr. Temporary Deputy Speaker, Sir, a number of bodies campaign to try and improve the production of cotton in this country. The formation of Kenya Ginners Association (KGA), which rescued the collapse of ginneries in this country, had tried and held meetings with the Ministry of Agriculture in order to promote cotton. The Cotton Farmers Development Forum (CFDF) and other stakeholders have also done some work. So, this is a happy day for this Bill to be debated and passed by this House.

Mr. Temporary Deputy Speaker, Sir, in the proposed Bill, there is need to add the Cotton Development Fund which the Mover has mentioned. The Cotton Development Fund will act in many ways in the Ministry to help so many things, like the Community Development Trust Fund (CDTF) in the Ministry of Planning and National Development, and the Tourist Transport Development Fund is doing in the Ministry of Tourism and Wildlife. Being a commodity that will compete against other commodities in the market, there is need for the Government to have a cushioning stabilisation mechanism, where the prices can be stabilised somewhat, such that we do not lose the steam of the cotton having been grown and then the farmers are exposed to price fluctuations like has happened in the past.

This country is a bit notorious in leaving the farmers to fight for themselves with the rest of the powerful market which produces cotton. Most other countries support their products. They subsidise them deliberately. This is allowed by the World Trade Organisation (WTO) so that, so long as this commodity helps your people, you have the right, as a country, to put in some price stabilisation so that your people do not lose hope. Once the momentum is lost, it cannot come back. For instance, we have been trying since 1996 to revive the cotton industry. It has not been easy because it was allowed to fall freely; what is called free fall. It is very difficult to rescue a free-falling object.

Mr. Temporary Deputy Speaker Sir, the CDF money could also be used the way we do it at the National Cereals and Produce Board (NCPB), whereby, when prices are so bad and people are not buying cotton, the Government buys the cotton and keeps it until prices reach a point where they can be negotiated. All those are mechanisms which I know my colleagues will talk about. I know the suitability of cotton is so crucial that we really need to do our best, so as to sustain the crop and see how we can revive the industry. The raw materials have to be in place for us to fund the industries. The fund I am talking about could be used for buying machines to process cotton.

As we know, most ginneries were installed in this country in the 1930s. Some of the companies which manufactured the machines do not exist any more. Even the towns where the machines were manufactured do not exist in their old form. Therefore, there is a need to start a kind of revival in the entire industry wherever the machines were being bought from. The ginners and spinners require somewhere to go, to enable them revive the industry.

Some parts of this country grow very good cotton and when the crop was really prime, Kenya was rated as one of the best cotton producing countries in the whole world. The crop had long staples and fibres among other things, as we are known for producing high quality tea, coffee and pyrethrum.

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

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

I am very keen about time and I know you are looking at me as a warning. However, I know I still have one minute. The Bill will help stabilise the cotton industry in this country. It will also bring an Act which proposes that board members should not be of traditional kind. They should be board members who have a big representation of stakeholders and farmers so that they can speak on the spot to rectify what is wrong.

Democracy has grown so fast in Kenya, such that every ordinary Kenyan you see is far much cleverer than some of us who purport to be democratic. Therefore, we need to have the sector grow in a way it can support Kenyans. Many of us in this House, including myself, went to school on cotton. We owe it to the cotton sector that the industry is revived.

With those few remarks, I second the Bill.

(Question proposed)

Mr. Sungu: Mr. Temporary Deputy Speaker, Sir, I stand to support this Motion which is very important.

ADJOURNMENT

The Temporary Deputy Speaker (Mr. Khamasi): Order, Mr. Sungu! You will still have all your time when debate on this Bill resumes.

Hon. Members, it is now time to interrupt the business of the House. The House is, therefore, adjourned until tomorrow, Thursday, 4th, May, 2006 at 2.30 p.m.

The House rose at 6.30 p.m