

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 24th April, 2014

The House met at 2.30 p.m.

[The Speaker (Hon. Muturi) in the Chair]

PRAYERS

PAPERS LAID

Hon. A.B. Duale: Hon. Speaker, I beg to lay the following Papers on the Table of the House today, Thursday, 24th April, 2014:-

Performance Audit Report of the Auditor-General on the Implementation Measures to Combat Illegal, Unregulated and Unreported Fishing and Post-Harvest Losses in Lake Victoria.

The State of the Judiciary and Administration of Justice Annual Report, 2012/2013 from the Chief Justice/President of the Supreme Court prepared pursuant to Section 5(2)(b) of the Judicial Service Act.

Report of the Auditor-General on the Financial Statements of the Sugar Arbitration Tribunal for the year ended 30th June, 2011 and the Certificate of the Auditor-General therein.

Hon. Speaker: Well, the first Report is referred to the Public Accounts Committee while the second Report is referred to the Departmental Committee on Justice and Legal Affairs. As you will appreciate, we have our own sole prerogative to create committees and, therefore, we cannot be directed by anybody or authority to create committees that they may imagine in their jurisdictions. So, that Report from the Judiciary will go to the Departmental Committee on Justice and Legal Affairs.

Hon. Mwiru: Thank you, hon. Speaker. I beg to lay the following Paper on the Table of the House today, Thursday, 24th April, 2014:-

Report of the Departmental Committee on Lands Regarding the Petition on Muthanga Farm as presented by hon. Joseph Ngugi Nyumu on behalf of the farmers.

Hon. Langat: Hon. Speaker, I beg to lay the following Paper on the Table of the House today, Thursday, 24th April, 2014:-

Report of the Departmental Committee on Finance, Planning and Trade on the Consideration of the Public Finance Management (Amendment) Bill, 2014.

STATEMENTS

Hon. Speaker: Hon. Members, if you look at the back of the Order Paper there are some five responses listed. We will start with the first one which is the response by

the Chairperson of the Departmental Committee on Administration and National Security regarding the security situation and loss of lives in the Daadab area in Wajir South requested by hon. Mohamed Diriye, MP.

Is the Chairperson present? He is absent. We will go to the next one which is the response to the Statement requested from the Chairperson of the Departmental Committee--- It is the same Committee. What is wrong? Hon. Asman Kamama is never known to be late. Let us go to the third one. It is the Statement requested from the Chairperson of the Departmental Committee on Education, Research and Technology on increase of school fees in public secondary schools in Kenya requested by hon. Kangongo Bowen, MP.

The Chairperson, hon. Sabina Chege.

POLICY GUIDELINES ON SCHOOL FEES FOR SECONDARY SCHOOLS

Hon. (Ms.) S.W. Chege: Thank you, hon. Speaker. Pursuant to Standing Order No.44(2)(c), hon. Kangongo Bowen, Member of Parliament for Marakwet East requested for a Statement from the Departmental Committee on Education, Research and Technology regarding the increase of school fees in public secondary schools in Kenya. I beg to make the following Statement:-

(a) As pertaining to the background on the legal and policy guidelines on fees structure in public secondary schools, the current school fees structure guidelines were issued to schools in 2008 vide Circular Reference No.MOEG1944 dated 9th January, 2008 and I have an annex on the same. This followed a report submitted on recommendations of a task force chaired by Dr. Eddah Gachukia in 2007. The task force was formed by the Ministry of Education in order to implement the Presidential directive by His Excellency Hon. Mwai Kibaki to fulfill his campaign pledge commitment of 2007 of providing free secondary education.

The provision to charge fees and levies in public schools is entrenched in the Basic Education Act, 2013 under Section 29(2)(a) and Section 29(2)(b), the Sessional Paper No.14 of 2012 and the Ministry's Circular Reference No.MOEG1934 dated 8th January, 2008 and Reference No.G91104 dated 5th May, 2005. I have an annex on the same. The task force Report recommended the fees guideline that was implemented by the Ministry in totality, that is, 100 per cent.

With regard to the free day secondary education, I would like to say the following: Following the task force recommendations, the Government provided subsidies to secondary schools by introducing a Free Day Secondary Education Programme. The initial capitation was costed at Kshs10,265 per student per year as broken down in the table shown below. There is also the boarding school fees structure which the task force recommended boarding schools to charge, that is, a maximum of Kshs18,260. The national county and sub county schools were expected to charge boarding school fees that reflect the cost of living in their respective areas without exceeding the maximum as shown in the table attached.

The boards of management in counties, sub counties, and national schools are expected to present their boarding fees proposals to the parents associations during the annual general meetings for deliberations and approval. The approval fees proposals are

then forwarded to the County Education Board for consideration and recommendations to the Ministry for final approval, especially if the fees exceeds the amount stated in the guideline as annexed in this Statement.

In addition to the Government of Kenya subsidiary of Kshs10,265 per student per year in both boarding and day secondary schools, the Circular mandated the parents to meet the other costs and levies including school uniforms, boarding and related expenses, lunches, Government projects and physical facilities and clear outstanding fees balance for continuing students for the academic year 2008.

The current fee guidelines, according to the quarter circular of the Ministry of Education, MOEG1944 is silent on the disciplinary measures to be taken against principals, head teachers and boards of management that increase school fees contrary to the policy guideline. In addition, disciplinary measures against persons who fail to comply with school fees policy was not stipulated in the 1968 Education Act and its regulations are now obsolete with the enactment and coming into force of the Basic Education Act, 2013. However, the current Basic Education Act, 2013 in Part IV on Free and Compulsory Education provides for disciplinary measures on persons who exclude or send away a student from school for non-payment of levies related to admission, conduct of test and holiday tuition.

Hon. Speaker, Section 29(2)(a) of the Act also gives the provision for paying fees by non-Kenyan citizen. Section 29(2)(b) imposes levies on public schools with the approval of the Cabinet Secretary in consultation with the County Education Board. Other disciplinary measures and provisions to charge extra levies are provided in the Basic Education Act, 2013 under the roles and functions of parents associations, boards of management and the County Education Boards.

The Kenya Constitution, 2010 also has provision under the Bill of Rights that can be invoked if an individual is denied the right to education by posing fees and charging extra levies. Therefore, currently, no disciplinary measures have been instituted against principals, head teachers and Boards of Management since there was no specific charge brought forward to warrant disciplinary action on those who have increased secondary school fees contrary to the policy.

Hon. Speaker, it is true that there are variations and discrepancies in secondary school fees that exist between each category of public schools, be they national, county or sub county as shown in Annex III. In response to the concerns and in order to cushion the stakeholders especially parents, guardians and orphans who have been affected mostly by the high cost of education as a result of prohibitive fees charged by secondary schools, the Ministry has taken the following interventions:

A circular on school fees in public secondary schools, Reference No.MOEDSTEGC Vol.3 dated 7th February, 2014 was issued to County Directors of Education, Sub County Education Officers and all principals and head teachers of public secondary schools which is herein shown as Annex IV.

The circular suspended forthwith all extra levies and all other levies approved by the Board of Management and parents association for 2014. Schools adhered to the policy of one project at a time. Costs of the Kenya Secondary Schools Heads Association (KESSHA) and other non-student based associations should not be loaded to the parents. It banned all non-essential levies with immediate effect and all fees payable by parents be

spread in three terms to ease their financial burden. An inclusive task force was formed to review the unit cost of basic education in public schools in Kenya.

The Ministry constituted an inclusive task force where Parliamentarians, that is, both Senators and MPs and other education stakeholders are represented. The task force is mandated to review the unit cost of basic education in public secondary schools with reference to the TOR attached as Annex V.

Hon. Speaker, the task force team was expected to present its report by 17th April, 2014. Today, we had a meeting with them as the Departmental Committee on Education, Research and Technology. They communicated that they will be ready by the end of May with a draft recommendation. The new fee structure will then be issued to all public schools and school heads and the Boards of Management will be expected to stick to it, failure to which disciplinary action will be instituted against them for non-compliance.

I will also give the e-mail address where Members of Parliament and members of the public can contact this task force and give their input.

I thank you.

Hon. Bowen: Hon. Speaker, let me thank the Chairperson of the Departmental Committee on Education, Research and Technology although she took a long time to respond to this question which I asked at the beginning of this year in February when schools had just opened. There were so many students who were sent home because of not being able to pay the exaggerated school fees.

I want to seek clarification from the Chairperson. She should tell this House that there is no policy or legal framework in the Ministry of Education to do with school fees. Secondly, why is it that there are no disciplinary measures that have been meted out on those principals who overcharge students despite the Basic Education Act, 2013 which provides for disciplinary measures against anyone who interferes with the free and compulsory basic education and excludes or sends away students from school for non-payment of levies?

Hon. Speaker, the Statement the Chairperson has just read indicates that they are using the 2005 Circular which is not even giving clear guidelines on what the national and county schools are supposed to pay as school fees. I seek those two clarifications from the Chairperson. She needs to tell us exactly the legal position and the policy guidelines. Secondly, there are some principals who overcharge students, but they have not been disciplined up to now.

Hon. (Ms.) S.W. Chege: Hon. Speaker, I want to bring to the attention of the hon. Member that the circular is for 2008 and not 2005 as he put it. Upon enactment of the Basic Education Act, 2013, the disciplinary measures were not provided for. However, the Ministry said that currently no disciplinary measures have been instituted against principals, head teachers and Board of Managements since there were no specific charges brought forward to warrant disciplinary action on those who have increased fees contrary to the policy.

I would like to urge Members that it is good that we educate parents so that when they go to parents' meetings they do not just agree to proposals intended to increase school fees. They should not just agree to what they have been prompted. They need to scrutinize before they approve. After approval, the Ministry is unable to take any disciplinary action against, say, the principal because the parents themselves have

actually approved the additional school fees. The beauty and good news is that there is already a task force in place and it will come up with a report with proper policies indicating the specific disciplinary action that will be taken against principals or head teachers who increase school fees. From 2008 up to now a lot of things have changed.

I urge Members to read the 2007 Report by the task force of Dr. Eddah Gachukia. This report deals with school fees and also reveals the loopholes that principals use to exploit our parents. If any Member of Parliament or member of the public would like to contact this task force then they can write to them through the following e-mail: schoolfeestaskforce@gmail.com. The cell phone number is: 0721959041. They can raise issues with the task force before they do their final submission at the end of May. There is also a blog on schoolfeestaskforce and so you can interact with them and give your views.

Thank you, hon. Speaker.

Hon. Speaker: Hon. Eng. Rege.

Hon. (Eng.) Rege: Thank you, hon. Speaker.

Hon. Speaker: Hon. Bowen, the practice in the House is that you may have been the one who sought the Statement, but it does not become your property. Other Members also should have some bite. Do not think that it is exclusively yours.

Hon. Bowen: What have I done?

Hon. Speaker: Hon. Eng. Rege, proceed.

Hon. (Eng.) Rege: Hon. Speaker I do not understand what I have done where? Thank you, hon. Speaker for giving me this opportunity. I would like to ask the Chairlady; I am working on a document on education and I want to thank her first for telling us where we can find the school fees. I would also want to know where the examinations reside because it is not in the Constitution. Also, why should a Government institution use the "gmail.com," whereas this Government has a proper email address?

Thank you.

Hon. Speaker: You take note. Hon. Murungi.

Hon. Murungi: Thank you, hon. Speaker. Many students missed national schools and they are now in day schools simply because the parents could not afford the high fees which are set by the principals of national schools. My clarification is whether the Ministry will intervene. It can even consider paying their school fees up to Form Four. Otherwise, we may lose very bright students who are now in day schools simply because the parents cannot afford to take them to national schools.

Hon. Speaker: Hon. Gichigi.

Hon. Gichigi: Thank you, hon. Speaker. I want the Chair to clarify whether the Ministry is cognizant of the provisions of Article 43 of the Constitution, which makes it a right of a child to have basic education. What is the Government doing to ensure that secondary education eventually becomes as free as the primary school education? Two, the tradition in the best performing schools in this country over the years have been to increase the payments year after year. By now, what the parents are paying is obviously much more than what she has indicated as being in the circular. Most parents think it is a favour for their children to be in national schools like Alliance, Mang'u and others. When they go for those annual general meetings, they are literally coerced into accepting

those exaggerated figures. What is the Ministry doing about that, so that the parents can also become enlightened and fight for their rights other than just follow along with the proposal of the school administration?

Hon. Speaker: Hon. (Ms.) S.W. Chege, I think that is enough for now. Hon. Members, there are so many other responses which are to be read today. If every one of you has to seek clarification, we would spend more than one hour on this one, and there are four others. Then you can imagine that the time up to 6.30 p.m. will not be enough. So, we must have to be satisfied with what we have received. More importantly, of course, is the fact that the Chair has given us that information about the taskforce that is working and where it can be located. Some of the issues we are raising can also be raised with that taskforce, so that there is some parliamentary input even at that level. Nevertheless, proceed to respond.

Hon. (Ms.) S.W. Chege: Thank you, hon. Speaker. There is an hon. Member who asked why they are using “gmail.com.” Well, I think this is just a taskforce that was just formed the other day. I think it is not a permanent taskforce and so, they are free to use the email provided they are able to communicate to the public and they are able to be reached. On the issue of examinations, that is under the Kenya National Examinations Council. But it is good for me to just mention that on the issue about the examination payment, we also, as a Committee, are consulting the taskforce to see whether the amount provided by the Government can be used to pay for examinations like KCPE and KCSE. Those are some of the suggestions we are giving the taskforce. With the email address and mobile number, you can interact with them and give suggestions. They are open to more suggestions.

On those who missed to join Form One, this is something that the taskforce will give a way forward. Today, the taskforce told us that we can even have some of those national schools having a day unit, where the ones who cannot afford to be boarders, can be able to access the facility. They can benefit from the teaching in the national schools even if they are not boarders.

On the issue of the Constitution, it is also about the right to education. It is also in our basic education Act. Basically, this is something that the Ministry and the Government are very keen about. They want to ensure that all students are able to go through their primary and secondary school education. They are able to attain basic education. The taskforce was formed to make sure that no student is discriminated because he or she cannot afford school fees. About the policies that are already there, the taskforce will just come up with new policies. But it is good for me to mention that education in day secondary schools is free. That is because the Ksh10,625, is actually enough for students who are going to day schools. They can attend day schools without paying any extra cent, including buying the books. That is why I urged hon. Members to go through the Taskforce Report of 2007. It was done by Dr. Eddah Gachukia. That way, we can be able to do the calculations. If you look at Kshs10,625, per the number of students per school, the schools are receiving a lot of money from the Government. If they use that money well, they can be able to cater for the students. Nobody should be locked out. If you allow me, I will repeat because I know hon. Members have questions. They can be able to directly contact the taskforce. Their email is schoolfeestaskforce@gmail.com and their mobile number is 0721959041.

Thank you.

Hon. Speaker: Finally, hon. Bowen has the last--- But even as you do so, and the Chairperson, I think it is fair that we as Parliament continue to educate those in the Executive about the use of the word “Parliament” and “Parliamentarians.” If you use the word “Parliamentarians” in one statement, you cover both the National Assembly and the Senate. So, when I see the Ministry constituting an inclusive taskforce where Parliamentarians will be involved, it is important to know that the term refers to both Senators and Members of National Assembly. Even Senators are Members of Parliaments! We must keep educating those folks out there, just like the preachers who have to keep reminding people about God every now and then. Anyway, hon. Bowen proceed. Just to remind people, Article 93 of the Constitution created a Parliament of Kenya which shall include the National Assembly and the Senate and the people who sit in Parliament are called MPs in short. I hear this commonly; every Tom, Dick and Harry saying: “We are inviting MPs and Senators.” You wonder who these people are. You are inviting strangers. If you use “MPs,” that is enough. It refers to both National Assembly Members and the Senators or those Members of Parliament sitting in the Senate. They should listen to my address, whenever we are sitting jointly. It is carefully quoted. Hon. Bowen.

Hon. Bowen: Thank you, hon. Speaker. I just want one clarification because the Chair is telling us that the taskforce is working on legal and policy guidelines. I just want to know the following: When will those legal and policy guidelines be replaced and what will happen to those students, like the ones that hon. Gichigi has talked about? I mean the ones who dropped out of school because they could not manage to pay school fees which was so much. For instance, the ones who were admitted to national or county schools this year?

Hon. Speaker: The very last one from hon. Jude Njomo.

Hon. Njomo: Thank you, hon. Speaker. Mine is a short one but I think it affects very many students. This is about the students who have already cleared school but have not cleared their balances. Many schools continue to withhold their certificates because of unpaid balances. I know this has been discussed before but it has been the practice of many schools and many school heads not to release certificates for those who have not cleared balances. I would like the Chair to tell us what the Ministry is doing to ensure that the contract between the Kenya National Examinations Council (KNEC) and the student is not interfered with by the school management committees and the school administration.

Hon. Speaker: If the Chair feels minded to respond to the latter bit she may do so but it goes outside the scope. Remember I reminded you yesterday about your Standing Order No.106 on relevance. It is extremely important.

Yes, hon. Chege.

Hon. (Ms.) S.W. Chege: Thank you, hon. Speaker. As I had mentioned earlier on, the task force will be ready with the draft report by the end of May. So, we will be able to go through the policies before we table them in this House. We also expect that they will also have a solution for the ones who have missed Form One or the ones who were left out due to lack of school fees.

The hon. Member who has asked a question about the KNEC, I would like to report any school that has withheld either the KCPE or KCSE certificate for any of the students. This is because the Ministry has already issued a circular to all the principals to the effect that they should not withhold the certificates for whatever reason, be it school fees or any other reason. This is because by the time a student sits for the exam, he or she has already paid for that certificate through the KNEC. So, I urge the Member of Parliament or any other Member who is affected to report the schools immediately to the Ministry.

Thank you very much, hon. Speaker.

Hon. Speaker: Very well. Let us have the next response again by the Chairperson, Departmental Committee on Education, Research and Technology and Labour and Social Welfare regarding the treatment of Muslim students in public schools requested by hon. Zuleikha Hassan.

Yes, hon. Sabina Chege.

TREATMENT OF MUSLIM STUDENTS IN PUBLIC SCHOOLS

Hon. (Ms.) S.W. Chege: Thank you, hon. Speaker. Pursuant to Standing Order No.44(2)(b) of the National Assembly, hon. Zuleikha Hassan Juma, a nominated Member requested a Statement from the Chairperson of the Committee on Education, Research and Technology regarding the treatment of Muslim students in public schools.

Hon. A.B. Duale: Hon. Speaker, hon. Zuleikha is very busy chatting with hon. Rachael and yet the request belongs to her. So, I urge that she pays attention.

Hon. (Ms.) S.W. Chege: Thank you, hon. Speaker. While commending the educational institutions that respect and uphold religious rights of Muslim students, the Member's concern about other institutions that violate students' rights to exercise their religion--- She cites discrimination that include students being denied the right to observe their daily prayers, being forced to take Christian Religious Education, attend church services, forcing Muslim girls to remove headscarves and stopping them from covering their legs. The Member expected the Chairperson to inquire and state in cases where there is discrimination in public schools as outlined what the Ministry of Education, Research and Technology is doing to remedy this.

Hon. Speaker, the Constitution of Kenya grants religious rights and freedom to the citizens of this country. This is stated clearly in Article 32(1)(2)(3) of the Constitution which state respectively:-

“Every person has the right to freedom of conscience, religion, thought, belief and opinion.

Every person has the right, either individually or in community with others, in public or in private, to manifest any religion or belief through worship, practice, teaching or observance, including observance of a day of worship.

A person may not be denied access to any institution, employment or facility, or the enjoyment of any right, because of the person's belief or religion.”

Hon. Speaker, the education system in Kenya is an all-inclusive system that is aimed at integrating Kenyan with a diverse culture, religious beliefs and practices. It

provides the basis of religious practices, instructions and freedom to all learners irrespective of their religion.

The Ministry of Education, Science and Technology has upheld the policy of all-inclusiveness and made sure that education institutions in the country work within the framework of the Constitution under the guidelines provided by the Ministry are followed.

However, Muslim parents have been complaining about the denial of opportunity for their children to practise religious rituals in some public schools and have expressed discrimination on the basis of their faith and religious practices. The complaints have been as follows: Hindering all Muslim female students from wearing the *Hijab*, forcing Muslim learners to attend Christian church services and denial of Muslim learners to offer prayers of their faith.

The Ministry, through their circular Ref.No.PR14070 dated 14th July, 2009, addressed to all the then Provincial Directors of Education directed all school heads to respect the wearing of *Hijab*, that is the head gear by female Muslim pupils and students in all public schools. This was in response to complaints from Muslim Women Rights to the then Provincial Director of Education, Coast Province. The stand of the Ministry on these directives has never changed.

This is, therefore, an assurance that the Ministry respects the freedom of worship and will ensure that learners are allowed to exercise their faith in the institutions of their learning, including wearing of the *Hijab* for female learners.

Thank you, hon. Speaker.

Hon. (Ms.) Juma: Thank you, hon. Speaker. First of all, I would like to excuse my breathlessness as there is someone who is pushing against my diaphragm, if you could bear with me. I would like to respond to hon. Duale. I am a woman Mheshimiwa and I can multitask and we were actually discussing the same issue.

In response to the Statement from the Ministry, I met with the Committee this morning, we discussed it and we agreed that there is really no answer to the Statement that I requested. So, we agreed that we will go forward to get more information about this and form maybe a task force, a committee or a sub-committee. I wanted to know the measures they are taking against head teachers or schools management committees or Boards of Governors that are contravening the Constitution. In short, we have agreed that there is really no answer that we have received from the Ministry on this matter but we will try and get more responses from them.

Thank you.

Hon. Speaker: In short, you are not seeking a clarification. I have heard you utter certain things but I could not quite follow what it was that you were saying to yourself.

Hon. (Ms.) Juma: Hon. Speaker, maybe, you can advise me better. However, I am saying that we met this morning and agreed with the Committee that together we will try and get more answers to this matter. So, I could be seeking a clarification.

Hon. Speaker: Very well. If you agreed you should have---

Hon. (Ms.) Juma: But she does not have the answer. So, she will need to go back to the Ministry to know whether there are any regulations or measures that are taken against those who contravene this.

Hon. Speaker: Let us hear from the Chairperson, hon. Sabina Chege. What is this agreement?

Hon. (Ms.) Chege: Thank you, hon. Speaker. We invited the hon. Member to come before our Committee and the big question was what is happening with the Kenya National Examinations Council (KNEC). We also took to task some Ministry officials who had also come to see us. When circulars are issued by the Ministry of Education, Science and Technology and are not followed, what happens next?

Hon. Speaker, even from the earlier answer, it seems that the public did not complain directly, especially in the naming of principals and then the Ministry is not able to follow up. I would also like to urge the hon. Member because she mentioned some of the schools that are forcing Muslim girls not to wear head gear; we want to get information on these schools so that specific action can be taken. Currently, the Ministry of Education, Science and Technology has not taken any action on any of the principals who have not adhered to this circular from the KNEC and other circulars that they have also given to the principals.

Therefore, we said that we will still make a follow up on the matter and recommend because we had other hon. Members who came and talked on other sorts of discrimination. Also the Seventh Day Adventist (SDA) faithful raised an issue with our Committee. Since there are other kinds of discrimination that are found in schools, the way forward was for us to have a sub-committee that can sit with the Ministry and address all the issues that came up. It is not only about the Muslim students, but also other forms of discrimination are happening in our public schools and action is not taken by the Ministry of Education, Science and Technology.

Hon. A.B. Duale: Thank you, hon. Speaker. I do not want to speak for hon. Zuleika Hassan, but this is a matter belonging to this House. I want to speak as an hon. Member for Garissa Township. Schools that discriminate against particular religions are known. Some of the issues have gone to court. We saw it on television where a girl was told to go and shave her hair and was expelled from the school. The schools that discriminate against Muslim students are known and I can even provide the list.

Therefore, I agree that the Constitution does not provide for that. There is a circular from the Ministry of Education, Science and Technology. But the question I am seeking clarification on from the Chair is on those particular schools which discriminate on the basis of religion and culture. Those principals who violate that circular and the Constitution, what do we do with them? I am sure most hon. Members have issues on this, but I can even give a classic example of the Seventh Day Adventist (SDA) faithful. All these hon. Members can agree with me that there were three girls in Western or Nyanza provinces who were sent away from school by their principals because they did not want them to have long hair. I saw it on television and the parent was saying that her faith does not allow her daughter to shave her hair.

Hon. Speaker, what do the national values for education in the country have to do with hairstyle? We are talking about Article 10 of the Constitution on national values, equity, justice and the bill of rights on the freedom to faith. We want the Chair to tell us what to do and we will give the names of those schools. What will the Ministry of Education, Science and Technology do to those principals who violate the Constitution?

Hon. Speaker: Of course, the Constitution gives that freedom, including actually the freedom to consult witchdoctors as alternative dispute resolution mechanisms.

(Laughter)

Hon. Huka: Thank you, hon. Speaker for giving me this opportunity. I am a Member of the Departmental Committee on Education, Research and Technology. I concur with what the Chair presented before this House, but the problem is implementation of the regulations. What came out clearly is that the circulars are on the shelves, but implementation is not taking place.

We also want to take cognizance of the fact that the Ministry of Education, Science and Technology and the Teachers Service Commission (TSC) are like parallel powers. The teachers are under TSC and the Ministry of Education, Science and Technology is not having a direct way of implementing the circulars. Therefore, taking action against any head teacher who may not follow the regulations is not easy. What has been recited here as discrimination is far much less than what happens in schools. For example, I took a child to a school and among the list of books that I was supposed to buy were hymn books which I did not know what they were for, the rosary and a lot of other books. When the child joins that school, the first thing the child is told is: "This is the Church and you will attend." This is contrary to Article 10 of the Constitution which hon. Duale has referred to.

Hon. Speaker, if I read part (4) of Section 32 which has not been read by our Chairlady, it states: "A person shall not be compelled to act or engage in an act that is contrary to the person's belief or religion." A Muslim, an atheist child, a traditionalist child, or a child from a different denomination is forced to do things which are contrary to their beliefs. This is actually discrimination of the highest order!

Thank you.

Hon. Speaker: Well. You can see hon. Members, we are not seeking clarification. Every hon. Member is trying to give instances of discrimination. Therefore, if you give those instances of discrimination, what clarification are you expecting from the Chairperson? Hon. Millie Odhiambo, are you seeking some clarification? Do you also have instances of discrimination?

Hon. (Ms.) Odhiambo-Mabona: Yes, hon. Speaker. I wish to seek clarification on the issue of discrimination. Even though I know that the request was sought specifically touching on the Muslim faith, I must declare that my husband is an elder of the SDA church. Therefore, I want to speak on behalf of the SDA Church.

Hon. Speaker: Did you say an elder?

Hon. (Ms.) Odhiambo-Mabona: Yes, of the SDA church. I want to say that the Seventh Day Adventist Church – I was in the Constitutional Committee that provided a special day and I actually pushed for that because the SDAs must observe their day of worship which is not effected in schools. What the Departmental Committee on Education, Research and Technology has done is to present a case of helplessness and that the Ministry of Education, Science and Technology is not doing anything. Therefore, I need clarification from the Chairperson of the Committee on what they are going to do to ensure that the circular is followed and to effect the Constitution; not just to come here

and present words and say that they are helpless. What are we going to do so that Children belonging to the SDA Church are protected?

Hon. Speaker: Hon. Members, I do not see us getting an answer from the Chairperson. I think what we require is further investigation on this matter by the Committee. The Cabinet Secretary and all those responsible in the Education sector will be invited and several of you will also be notified. You can go and present those cases. This is because that is where you can get appropriate answers. That should be the best way to proceed.

Hon. Ng'ongo: Thank you, hon. Speaker. Even though we need to respect other people's rights, but I have a problem with the statement that the Chair read. She said that there is a regulation and especially touching on uniform.

Hon. Speaker, if we allow religious dressings in our schools, then tomorrow other religions can come up with their own. For example, *Wakorino* will start putting those things on their heads; there is *Dini ya Msambwa* and so on. Are we not going to cause chaos in schools? Even Reggae followers will actually insist that they be allowed to keep Rasta. So, even as we protect the rights of our children, we have also to bring decency in schools. Therefore, I think matters of religion must be kept out of schools. We allow our children to dress appropriately. In fact, even the Constitution allows for the limitation of rights. We can bring a law if there is absence of law, to limit the rights in our schools, so that there is order, discipline and proper dressing. There will be chaos in schools.

Therefore, I want the Chairperson of the Departmental Committee on Education, Research and Technology to clarify what she is going to do and what the Government is likely to do with those regulations to bring order in our schools.

Thank you.

Hon. Speaker: Of course, you know, hon. John Mbadi, if you want to proceed on those lines, you will have to strictly adhere to the requirements which have been placed in Article 24 of the Constitution with regard to limitation of rights. Maybe, you may wish to advise the Ministry to examine the provisions of Article 24 of the Constitution to see whether they can borrow some of your ideas. Hon. Members, because so many of you have issues and incidences, I think it is fair that hon. Sabina Chege, the Chair of the Committee responsible, and that is what hon. Zuleikha was suggesting, that you need to sit again, invite the Cabinet Secretary instead of giving such a broad response. This is a very broad response. It just says that the Ministry does not condone discrimination, but the Members have incidences. The Leader of Majority has given an example of what he has seen on television. This kind of response from the Ministry is not addressing the concerns that have been raised by the Members of incidences of discrimination, whether they are the Muslim girls or elders of the SDA, like the ones hon. Millie Odhiambo has talked about. The best thing is for this matter to be revisited by your Committee at which you invite the Cabinet Secretary, so that the Members can come and try to debate the matter with the Cabinet Secretary. They should take him to task. When you say that you do not condone discrimination and then the Members are able to give examples of such discrimination and the Ministry has not taken any action against the teachers responsible, that is where you will be able to pin them down. When you bring a report here, it will be that the Cabinet Secretary has promised to take action against "A", "B" "C" or whatever

kind of action. That will be the best thing. So, this matter is not concluded. Revisit it and invite hon. Zuleikha and several Members to canvass the matter there.

We will move to the next one which is the Statement sought from the Departmental Committee on Transport, Public Works and Housing on the construction of the Nairobi-Nakuru Highway bypass from Stem to the Njoro Turn off, requested by hon. David Gikaria.

CONSTRUCTION OF NAIROBI-NAKURU HIGHWAY BYPASS

Hon. (Eng.) Mahamud: Hon. Speaker, on Wednesday, 19th March, 2014, the Member for Nakuru Town East Constituency, hon. David Gikaria, requested a Statement from the Chairperson of the Committee on Transport, Public Works and Housing regarding the construction of the Nairobi-Nakuru Highway bypass from the Stem Hotel to the Njoro turn-off.

In particular the Member tasked the Committee to inquire into and report on the following:-

- (i) the length and the route on the map of the bypass;
- (ii) details of design of the road;
- (iii) the scope of works and the total cost of the project;
- (v) whether tender in respect of the project has been awarded and if so, what will be the commencement and completion date of the project; and
- (vi) the number of people who will be displaced by the project and plans for compensating them.

The Committee summoned the Cabinet Secretary for Transport and Infrastructure on Tuesday, 27th March, 2014 to appear before it and answer the Member's request. The Committee also invited hon. David Gikaria, for the meeting. I wish to report to the House as follows:-

(i) Regarding the length and route of the bypass, the tentative estimate of the bypass is 35 kilometres and it is yet to be finalized by the consultant including improving the access roads within the locality. So, the actual route has not been firmed up.

(ii) The design of the bypass was temporarily stopped by a court stay brought by Naka residents. However, a ruling was given on 7th February, 2014, with instructions to seek consultation with the residents before the project proceeds.

(iii) As regards the scope of the consulting services and the total cost of the project, the preliminary design and engineering design of the Nakuru bypass and proposed roads will include a bypass from the Stem Hotel all the way to the Njoro turn off, passing through the Lake Nakuru National Park, on the side also the sewerage works, a total length of 35 kilometres.

(iv) The total cost of the project as awarded to the consultant is Kshs35,953,468.

(v) Since the consultant is yet to finalize the design of the works, construction has not been awarded and so the cost of the construction is not yet known. On whether the tender in respect of the project has been awarded and if so, what will be the commencement and completion date, this has not been arrived at yet. The consultant has yet to finalize the design and once the design work restarts and the consultant comes up with the details, the tender will be done and we will know the tender cost then.

(vi) On the number of people who will be displaced by the project and plans on compensating them, this has not yet been established. As I said earlier, they have not designed the route properly and ascertain who will be affected by the project. In the final design, there will be affected persons' component for land and property compensation, which has not been finalized.

I beg to lay the Statement on the Table of the House.

(Hon. (Eng.) Mahamud laid the document on the Table)

Hon. Gikaria: Hon. Speaker, first of all, I want to thank the Committee. Indeed, this is one of the Committees that are really doing a lot of good work. Just two or three weeks ago, I sought this Statement and I have it. I want to thank the Committee.

However, the reason why I asked for this Statement was because of the former Assistant Minister for Roads. I would like to seek clarification about the design. I have heard him say that the designs are not yet done, yet I know that the designs of the bypass from the Stem Hotel to the Njoro Turn off had been done sometimes back in the early 80s and the road was supposed to pass along the fence of the Nakuru National Park. What happened to the designs that were done some years back in the 1980s?

Hon. (Eng.) Mahamud: Hon. Speaker, first of all, the Nairobi-Nakuru Highway bypass was seen to be needed many years back. It is not something which started yesterday. So, there is a tentative route which has been thought of, namely, from the Stem Hotel to the Njoro Turn Off through the side of the Lake Nakuru National Park, where the sewerage works are today, going all the way to the northern part of the town. That is only a tentative route. The 1980 is a long time ago and today, we have to design that road. We have even to update a design, which was done then. So, there is still need for that design to be done and what was done then was preliminary assessment of a need for a bypass, which was seen to be passing through that part of the town.

Hon. Speaker: So, hon. Gikaria is satisfied, is he not?

Hon. Gikaria: Hon. Speaker, yes, I agree, if that is the position that a new design will be done. After the people who had been affected by the due design went to court, they were given a court ruling that they needed to sit with the Ministry and agree on the actual route of the bypass. I do not know whether that has happened as directed by the court. The people feared that over 3,000 residents of Nakuru Town East would have been displaced. This would again affect the residents of Nakuru Town West because the bypass is supposed to pass through the two constituencies. I do not know whether the Chair has confirmed with the Ministry as to the direction of the court and whether the meeting to agree on the actual design and the route took place. My people went to court in fear that they might not be given due consideration when the design is being done.

Hon. Speaker: Yes

Hon. (Eng.) Mahamud: The court ruling was made on 7th February, 2014 and the court gave a window period of 120 days within which the parties should consult before the consultancy work restarts. I am informed the discussion has not taken place and it is only prudent that the Ministry restarts it so that the affected persons and the consultants can agree on a desired route.

Ultimately of course if the desired route is agreed upon, there are some issues which cannot be avoided, when it comes to public works like roads. Sometimes you cannot wait until you agree with everybody on the design. But that consultation is supposed to take place and I agree with the Member that it should be done soon, so that the desired work restarts again.

Thank you, hon. Speaker.

Hon. Speaker: Very well, I will take the first request. Hon. Members, I want to remind you again, while seated at your place and purporting to draw the Chair's attention to something that you may wish to say, shouting is not recognized in our current rules. So, you can relax and continue with what you were saying but it is only to yourself. If you want to talk you must appear on the screen. Right now there is hon. Ferdinand Wanyonyi, making some intervention.

Hon. F.K. Wanyonyi: In the same breath, while the Vice-Chair is answering the question on the Nakuru Road, I do not know whether I am in order to raise a question because I am a regular user of that road. When it reaches Eldoret, it becomes a nightmare. So, I was just wondering whether there is a similar plan for having a bypass in Eldoret.

Hon. Speaker: To be fair, I should stop. This is the Vice-Chair of a Parliamentary Committee, he is not the Cabinet Secretary for Transport and Infrastructure and you are beginning to ask him about Eldoret. Surely, hon. Wanyonyi, see Standing Order No.106 on irrelevance. Hon. Asman Kamama, for the second time.

Hon. Abongotum: Thank you, hon. Speaker. First I want to apologize for coming late. In the morning I joined the Members of the Executive, led by His Excellency the President to witness the passing out parade of General Service Unit at Embakasi and I thought I would be here in good time. So, I am sorry, hon. Speaker.

On the two Statements, I just want to say that I had actually responded to them, so we do not need to go back to them. I want to be given some extra time next week so that I can make up for the lost time, but otherwise I had responded to both of them.

Thank you, hon. Speaker.

Hon. Speaker: Then why are they on the Order Paper? The Clerk's Department is failing. There is one by hon. Mohamed Diriye and another by hon. Harrison Kombe. You have already responded to them?

Hon. Abongotum: I responded to the one by hon. Diriye and I remember hon. Lentoimaga responded to the one by hon. Kombe.

Hon. Speaker: The hon. Diriye, I had seen him earlier, has he since withdrawn from the Chamber? Hon. Kombe! You must be right, that is why the Members have since lost interest in the matter. The Clerk's Department has to ensure that they do not repeat these kinds of mistakes because it is quite possible that other Statements would have been responded to, if these two were not put there.

What is your point of order?

Hon. Gikaria: On a point of order, hon. Speaker. I need some direction from your office as regards responses, like it has been said. I am the Vice-Chair of the Committee on Implementation. We have three reports which we have already given to the Clerks to be tabled. The reports regard the effect of implementation of three issues which were passed in the First Session and now it is almost a month and a half ago. I have been

coming to your office to complain about it. We have already given that indication and the last week before we went on recess, we had been promised that they would be tabled.

Hon. Speaker: Hon. Gikaria, whenever your committee has finalized a report and you want it put on the Order Paper, kindly visit the Office of the Leader of Majority Party, the Office of the Majority Whip or the Office of the Clerk to get direction. This is because it is not possible for me to direct from the Chair that this be done, we need to be given information as to why those Reports have not been produced. So, follow it up with the Leader of Majority Party, because he sits in the House Business Committee, and he will pursue the matter.

Leader of Majority Party, proceed.

BUSINESS FOR THE WEEK COMMENCING
TUESDAY, 29TH TO 1ST MAY, 2014

Hon. A.B. Duale: Thank you, hon. Speaker. Pursuant to Standing Order No.44(2)(a), on behalf of the House Business Committee (HBC), I rise to give the following Statement regarding the Business appearing before the House, the week beginning Tuesday, 29th April, 2014. As usual, the House Business Committee met on Tuesday this week at the rise of the House to give priority to the business that will come this week and next week.

Through you hon. Speaker and without appearing to anticipate debate, allow me to bring to the attention of the House Order No.8 on today's Orders Paper. The Procedural Motion to sit on Tuesday Morning will allow Members to continue consideration of the heavy business before the House. This has been occasioned by an increasing number of Private Members' Bills and various critical committee Reports. It is therefore the view of the House Business Committee, that a sitting on Tuesday morning could provide ample time to consider some of the business as Thursday next week is a public holiday.

The House Business Committee has therefore lined up heavy and crucial business for Tuesday. The House will debate the Public Finance Management (Amendment) Bill (National Assembly Bill No.12 of 2014) during the Second Reading if it is not concluded today. The Bill will be considered in the Committee of the whole House together with the National Police Service (Amendment) Bill (National Assembly Bill No.18 of 2013). I therefore wish to urge all Members with the proposed amendments to the two Bills to present them to the Legal Department or the Office of the Clerk in good time to avoid last minute rush.

The House Business Committee has also scheduled a number of Committee Reports for debate and adoption by the House. These includes:-

(i) The Report of the Committee on Regional Integration on three Bills forwarded by the East Africa Legislative Assembly (EALA).

Members should note that the Assembly has 21 days to consider and adopt this Report as set out under Standing Order No.212 and 251. The timeline for this, lapses on 4th of May, 2014 when we might be on recess.

(ii) The Report of the Mediation Committee on the County Governments (Amendment) Bill, Senate Bill No.2 of 2013 if not concluded today.

(iii) The Report of the Departmental Committee on Transport, Public Works and Housing on the four bilateral agreements between Kenya and Kuwait, Kenya and Angola, Kenya and Canada and Kenya and Mozambique.

(iv) The Joint Report of the Departmental Committees on Energy, Communication and Information and that of Education, Research and Technology on the status of San Marco Space Application Centre in Malindi

(v) The Report of the Select Committee on *miraa*.

Again through you hon. Speaker, I wish to urge Chairpersons and members of respective Committees that have prepared the said Reports to be available in the House to lead in their respective debates by moving them.

Hon. Speaker, the House will also consider the National Flag, Emblems and Names (Amendment) Bill 2013, Senate Bill No.2 of 2013 and the Protection Against Domestic Violence Bill, 2013 in the Second Reading.

Hon. Speaker, I wish to remind Members that we are in the Budget cycle with the Budget estimates for the financial year expected to be submitted by the Executive by 30th April, 2014. These and other Budget related Bills need to be considered and passed within the stipulated timelines as per the Constitution and the Public Finance Management (PFM) Act.

Hon. Speaker, Committees are therefore urged to finalise any urgent business before them to ensure that sufficient time is given for the consideration of their sector budgets analysis.

Finally, hon. Speaker, the House Business Committee (HBC) will meet on Tuesday 29th April, 2014 at the rise of the House to consider business for the rest of the week.

Hon. Speaker, I now wish to lay the Statement on the Table of the House. Thank you.

(Hon. A.B. Duale laid the document on the Table)

Hon. Speaker: Hon. Members, I think if you listened to what the Leader of Majority Party has just stated, I think I wish to commend various Members who have come up with legislative proposals which have translated into Bills because if you look, you will see several Private Members' Bills. That gives effect, proper and fully, to the role of the House as a legislative Chamber. I, therefore, commend the Members and encourage and urge others to come up with more proposals.

Let us move to the next Order.

Hon. (Eng.) Gumbo: On a point of order, hon. Speaker.

Hon. Speaker: Yes, hon. Gumbo.

Hon. (Eng.) Gumbo: I thank you, hon. Speaker. There is a matter which has been outstanding for long and I wish it could be disposed of since I have raised it here on three occasions. This is the matter regarding the rules and regulations governing the Engineers Act.

Hon. Speaker, on 20th of last month the Leader of Majority Party undertook to bring it in two weeks. It is seriously impeding the implementation of that Act and I wish

it could be fast tracked. The Leader of Majority Party undertook on 20th last month to bring it in two weeks. Today is more than a month.

Hon. Speaker: Yes, hon. Duale. You have some response.

Hon. A.B. Duale: Hon. Speaker, I need to go back to my diary. I do not know whether it is over a month but I know it is delaying and I have written to the Cabinet Secretary. He is going through the final touches. I will make sure those regulations are here and many other regulations like the ones of the Ministry of Lands and I am sure that is why we have problems in the Ministry of Lands between the Ministry and the National Land Commission (NLC). Those regulations must come but I will fast track them as the Member has sought.

Hon. Speaker: Very well. We can move to the next Order.

PROCEDURAL MOTION

SITTING ON TUESDAY, APRIL 29TH
MORNING AT 9.00 A.M.

Hon. A.B. Duale: Hon. Speaker, I beg to move the following Procedural Motion:-

THAT, pursuant to the provisions of Standing Order 30(3)(b), this House resolves to hold a Sitting on Tuesday, April 29, 2014 commencing from 9.00 a.m. to 12.30 p.m.

Hon. Speaker, the reasons are what I gave in the HBC Statement. Again, Thursday is a public holiday and that being the end of the calendar for this session, I will ask my colleagues that we drive from our constituencies late on Monday afternoon and on Tuesday morning at 9 O'clock we are here for the business that I read earlier. Since the only leaders who are around are the Minority Whip, the hon. Gideon Mungaro and hon. Junet who is agitating for change, I want to ask hon. Mungaro to second.

(Laughter)

Hon. Speaker: Yes, hon. Mungaro.

Hon. Mungaro: Hon. Speaker, before I second maybe I want to let my colleague hon. Duale, the Leader of Majority Party know that he is not asking me to second because I am the only leader in the House but because I am capable and representing CORD in this House.

(Laughter)

Hon. Speaker, considering the statement from the Leader of the Majority Party on the business of the House coming up next week and considering that the House will be sitting only on Tuesday and Wednesday, I stand to second the sitting on Tuesday morning at 9 O'clock. Thank you.

(Hon. (Eng.) Rege walked around the Chamber)

Hon. Speaker: The Member walking around, you do not do that. Freeze! Hon. Rege, you do not just start crawling, you just freeze. Surely, you are an experienced Member.

(Laughter)

(Question proposed)

(Question put and agreed to)

Hon. Speaker: Next Order.

THIRD READING

THE VALUE ADDED TAX (AMENDMENT) BILL

(Hon. Ng'ongo on 12.3.2014)

(Resumption of Debate interrupted on 23.4.2014)

Hon. Speaker: Hon. Members, debate on this Bill was concluded yesterday but there remained only one procedural step which is to put the Question and I accordingly do so.

(Question put and agreed to)

(The Bill was accordingly read the Third Time and passed)

Hon. Speaker: Next Order.

THIRD READING

THE PUBLIC PROCUREMENT AND DISPOSAL (AMENDMENT) BILL

(Hon. Sakaja on 12.3.2014)

(Resumption of Debate interrupted on 23.4.2014)

Hon. Speaker: Hon. Members, once again what remains is to put the Question.

(Question put and agreed to)

(The Bill was accordingly read the Third Time and passed)

MOTION

DEPLOYMENT OF KENYA DEFENCE FORCES TO SOUTH SUDAN

THAT, pursuant to Article 240(8)(a) of the Constitution and Section 18 of the Kenya Defence Forces Act (No. 25 of 2012), this House approves the deployment of the Kenya Defence Forces in South Sudan for the purpose of regional peace support operations.

(Hon. A.B. Duale on 23.4.2014)

(Resumption of Debate interrupted on 23.4.2014)

Hon. Speaker: Who was on the Floor? Any hon. Member is at liberty to contribute. I can see hon. Munuve. The Motion is pursuant to Article 240. Nobody was on the Floor?

Hon. Mati: This issue I think belongs to the Leader of Majority Party.

Hon. Speaker: Okay.

Hon. Mati: Thank you very much, hon. Speaker. I was confused because the Leader of Majority Party kept looking at me because I am occupying this position. In politics there is never any vacuum---

Hon. Speaker: The Motion is pursuant to Article 240(8)(a) of the Constitution and Section 18 on the Kenya Defence Forces Act No.25 of 2012. This House approves the deployment of Kenya Defence Forces (KDF) to South Sudan for the purpose of regional peace support operations. That is the Motion.

Hon. Mati: Thank you, hon. Speaker. I first would like to very strongly support the Motion. This region has been thrown into a very difficult situation because of the conflict that surrounds all of us. The problems that are taking place in our neighbouring sister state of South Sudan are going to very seriously affect the whole of the Horn of Africa region. This is due to armed conflict taking place in South Sudan from Gabella to Nakapipirit passing through Lokichoggio.

I support this Motion, but would really move further and say that the problem with our brothers in South Sudan is not just a South Sudan problem, it is going to affect us in every way; from security to food insecurity to small arms and the quality of life of our people. This is because naturally what is going to happen is, as the conflict escalates in South Sudan, the Sudanese people are going to move to the neighbouring countries. That is why I mentioned Gabella which is in Ethiopia, moving all the way through our borders to Nakapipirit in Uganda. What happens in such a conflict is that the easiest thing to carry that helps you along the way is a gun because a gun provides you with security as well as food when you arrive. What has been happening in such situations is that, you will expect Southern Sudanese to move with arms into our borders which will be sold---

Hon. Maanzo: On a point of order, hon. Speaker. Yesterday we had agreed because of the interest, and we had passed it in the House, that each hon. Member debates for three minutes. If that will be done, we will appreciate.

Hon. Speaker: Is that the consensus?

Hon. Mati: Thank you very much, hon. Speaker. It seems hon. Maanzo mistook five for three. So may I continue.

Hon. Speaker: Proceed! Proceed!

Hon. Mati: As I was saying, one of the biggest problems about armed conflict in the situation that we are having in South Sudan is, refugees come in with arms which serve as security as they move within their countries and also serve as food and first income to the nearest country. What is going to happen is that although His Excellency President Uhuru Kenyatta is pushing for disarmament and a lot is happening, this disarmament is going to take place with a lot of infiltration of arms from Sudan, if nothing is done very quickly to make sure that we contain that situation by mediating between our brothers who stayed and lived with us here in Kenya. We know all of them because we participated in the South Sudan Comprehensive Peace Agreement (CPA). They have no reason to fight. This is a very rich country, but people are very poor.

What I will suggest is, this House not only approves this Motion from the Executive but goes further to engage parliamentarians in South Sudan through whatever means; whether it is through Ministry of Foreign Affairs or the Foreign Affairs Committee or any other means. We need to also bring in, if possible without crossing our borders, the faith based institutions. These organizations played a big role when it came to the signing of the Comprehensive Peace Agreement (CPA) for the South Sudan. With those few remarks, I would like to very strongly support the deployment of our forces to South Sudan but also recommend that we move on to our peaceful engagement in South Sudan.

Thank you very much.

Hon. Speaker: Hon. Members, it is just something to show you how we are behaving. The microphone is on, so that is how we are behaving.

M'uthari: Hon. Speaker, I rise to support this Motion because I think it is very important for us as a country when our neighbours are in trouble to help. To a large extent we also experience the same difficulties in one way or the other like this conflict in South Sudan which has had a lot of impact on the Kenyan economy. Many traders have suffered and so sending our defence forces to South Sudan is a good idea because this is going to assist in restoring peace there. At the same time, we will encourage our Government to take a proactive role as it has done in the past to bring the warring parties together so that they can discuss and come up with ways of restoring peace in South Sudan. We are aware that when we have conflict like it has happened in other countries, our brothers fight while other people benefit. I think it is high time that when we have a challenge like this, we contribute and support in terms of restoring peace. By having peace, we will also have good neighbourliness and we may not suffer. When we have this kind of scenario, there is a possibility of suffering as a country because we are going to have a high influx of refugees and people who are coming here and that also constrains the resources at the country level. That way, our resources are exhausted and so I support this Motion.

Hon. Mulu: Hon. Speaker, thank you for giving me this chance. I rise also to support this Motion. Kenya as a country played a very important role in achieving the Comprehensive Peace Agreement (CPA) in Sudan. Having played that role, it would be very unfortunate to see that country go down the drain. That is why I am in support of the

additional troops being sent to South Sudan. The request is to make the troops be 1,000 because we have about 690. When you look at South Sudan, it is very important to Kenya in terms of strategic national interest. It is important for Kenya to ensure that there is peace in that country because when South Sudan has peace, we can be assured of increased business and trade. At the same time, Kenya can also benefit in increased employment opportunities. So the whole idea of us approving the sending of more troops to South Sudan is something we should all support, as hon. Members.

But as we do that, I would like to urge the neighbours of South Sudan to make sure that none of the countries takes advantage of the current situation. This is because for those of us who saw what was happening there last night through KTN, it is reported that there is massacre in that country and it has moved from a normal war to a tribal kind of war. I think we should make sure that these troops move to that country with urgency. This is because it is going to be very unfortunate if Kenya which is neighbouring that country takes a lot of time before taking any action and by the time we do so, it might be too late and we may experience what we had in Rwanda a number of years ago. So, I would urge that we move with speed and make sure that we get these troops to South Sudan.

At the same time, it is important to note that we have been seen to be fair in the mediation process. We have been very objective and that is why you see South Sudan as a country and government has a lot of confidence in Kenya. So, I will urge that even as our troops move to that country, we should remain neutral in the process and we are seen to be fair to the two opposing parties so that we do not become a country where in future if we want to send troops there, we will be told that we cannot do it because we have already taken positions.

With those few remarks, I support the sending of additional troops to South Sudan.

Hon. Speaker: We will now have hon. Gikaria. Hon. Members, I am following the machine as people have indicated their preferences. The next one will be hon. Oyugi.

Hon. Oyugi: Hon. Speaker, I always try to be in the House whenever I have put in a request but I appreciate it.

My heart goes out to the people of South Sudan. It is my belief and understanding that this youngest nation, some work in terms of bringing it back are in order. I would like to support this Motion for the sending of extra KDF to South Sudan. I think Kenya will be doing well in terms of keeping to its international obligations as was in the 25th Summit of IGAD where Kenya committed to the sending of troops, being part of the protection and defence forces of the IGAD nations, to the South Sudan. Even though we debate the deployment of our forces to South Sudan which is a noble and the best thing that Kenya can do in the circumstances, it is my belief that Africa can do more to save the situation in South Sudan. The war is moving fast to becoming genocide; it is turning to be a crime against humanity and I think that even though we debate this, perhaps as Kenyans or Africans, we could appreciate other different approaches. Without anticipating debate, it is to that extent that a few of us will be bringing a Motion to see what best other African states and Kenya could do to make sure that the situation in South Sudan is contained in good time so that we save lives and so that many women and children do not die in the process.

As we send our troops to South Sudan, I think it is important for us to have clear obligations and mandate to the KDF. Of course, we will remember that when our troops went to Somalia, there were allegations of troops engaging in the sale of charcoal and other atrocities. We do not want that from the KDF and that is why we need to have specific and special mandate of the KDF forces that we will be deploying.

Hon. Speaker, Sir, time is running out for South Sudan. I really think that we should, hopefully, conclude this debate today, so that we have extra Kenyan troops in South Sudan so that we can help in the peace-building process. I really think that the perpetrators have gone contrary to the agreements that they signed under the IGAD, under the cessation of hostilities. Therefore, IGAD Heads of Summit need to do something to force the perpetrators and the various parties to come into a better agreement in terms of how to sort out issues in that country.

Otherwise, we will be sending out our troops. I know the handicap of peace-keeping troops is that they cannot engage in active hostilities. That is why you really need a proper way in which Africa can engage either to have combat issues so that, apart from just doing peace-keeping, there are ways and means of protecting the various civilians who are hopelessly being killed in South Sudan.

With those few remarks, I support this Motion. I really urge that we do act with speed to send the troops to South Sudan. Thank you.

Hon. Waiganjo: Thank you very much, hon. Speaker for giving me this opportunity. I hope that the National Security Council (NSC) in considering the provisions of Section 240(8)(a) and also Section 240(6)(b) where they are also supposed to assess and appraise objectives, commitments and risks to the Republic in respect of actual and potential national security capabilities--- I say that because, already, we have a mouthful. We already have our KDF in Somalia. We have seen the backlash. We hope that now when we send troops to South Sudan, we will not have a backlash like we had in Somalia.

Having said that, I think it is very important to agree that the NSC sends our KDF troops to South Sudan. This is coming barely two weeks after there was a commemoration in Rwanda. They were remembering the 20th anniversary of the genocide in Rwanda. A gang of murderous known as Intarahamwe went on a rampage and murdered a million Tutsis and moderate Hutus, and the world did not move. Our President is the Chairman of East African Community (EAC). So, we are properly in order to release our troops to South Sudan. I think we must also learn important lessons from what is going on in South Sudan.

I think this country and its leadership must sober up to certain facts. Kenya is one of the countries that have reasonably enjoyed some stability. But we almost went that way in 2007/2008. Therefore as leaders, because we do have an opportunity now to heal the country, I think this is the time that we can sober up, look back, remember the commitments and the sacrifices that were made by the very able former leaders - the former Prime Minister, the Rt. Honourable Raila Odinga and the former President, hon. Mwai Kibaki - in coming up with the National Accord. They respected the National Accord and put on hold their ambitions. They looked at the country and allowed it to heal. Indeed, the next elections, even though there were complaints, were fairly easy. We did not go down that way. So, it is important here, when we talk as Majority or Minority

parties, we must always remember our heroes of the Grand Coalition Government. That way, we will not have a situation like the one in South Sudan where there is a grandstanding that has led to deaths of people.

Hon. Speaker, we support the move. But I also want to say that this has been going on. It is not like there are no troops in South Sudan. They are there, but the atrocities are still continuing. That war started in December. There was a ceasefire agreement in January, but it has been held in contempt. The killings are continuing. There also appears not to be a local solution. Therefore, the two gentlemen; Salva Kiir and Machar must know that they could be held responsible. That is because where you do not have a local solution to your problems, then, of course, the International Criminal Court (ICC) will come in. But we must also observe Sudan itself, Khartoum, closely and with a pinch of salt, to see and understand why we do not have continuous atrocities in Africa, particularly in our region. Therefore, I do know that ICC now is held in suspicion by African governments, but when you see situations like the one of South Sudan, you start questioning the ability of the two leaders of that country to come and cushion their countrymen against atrocities and against what appears to be genocide.

With those few remarks, I hope our President as the Chair of EAC will now lead others and champion others in IGAD, AU and UN to come and help the people in South Sudan. For us here, we should make sure that we learn serious lessons so that this country will never ever move in the South Sudan, Somalia and Central African Republic way. We must be vigilant and guard our country against such---

Hon. Speaker: Your time is up. Hon. Abdikadir.

Hon. Aden: Thank you, hon. Speaker. I stand to support this Motion. In doing so I wish to, first of all, state that the situation in South Sudan is, indeed, a very sad one. It is one whose perpetrators must be condemned in the strongest terms possible. That is because from what we have been seeing through the news lately, and personally having had the experience and pleasure of enjoying the peace and tranquility in Juba in my previous career, it was very sad to see the extent of human suffering---

Hon. Speaker: There is a point of order. There is an intervention.

Hon. Bunyasi: The last three speakers, including the speaker on the Floor, have talked about Southern Sudan and one has talked about Sudan. None of them is the country under discussion. We, as the National Assembly, must know which country we are talking about. It is neither Southern Sudan nor Sudan. It is South Sudan.

Hon. Speaker: What is your point of order?

Hon. Bunyasi: Is it in order, therefore, that we should be discussing a country that is not in question for the purposes of the deployment of the troops?

Hon. Speaker: Yes. The Motion is about South Sudan.

Hon. Bunyasi: But it is not about Southern Sudan or Sudan!

Hon. Speaker: The hon. Member is still living in history!

Hon. Bunyasi: Yes.

Hon. Speaker: Hon. Abdikadir you are, accordingly, corrected.

Hon. Abdikadir: I stand guided, hon. Speaker. The right name is "South Sudan". I was saying that knowing the peace and tranquility that existed in that young nation, it was very sad to see the happenings that we have seen on our television. I wish to call upon our brothers and sisters in that country that, indeed, war will never make their

situations any better. It is time that those hostilities end and that they continue to embark on the good developments that I have personally witnessed in that country.

The problems of our neighbours cannot be ignored for various reasons. Number one, it is for peace and stability of our region. Our region is, indeed, considering our eastern neighbours of Somalia and the problems they are facing--- Having another problem again means that this region will not have any benefits from that country. We also need to counter and send our forces to bring peace in that region. We want to avoid the proliferation of small arms into our country or the spill-over of the same into the borders of Kenya. We have very important trade ties with South Sudan. Indeed, when you are in Juba you know the water you drink, the toothpaste that you use, the margarine that you use and all the other products are from Kenya. For that reason, it is an economy whose existence and peace is of very strategic importance to us.

Our flagship project of LAPSSET is also dependent on South Sudan. There were three countries in that agreement. There is South Sudan, Ethiopia and Kenya. If that country does not very quickly settle down in peace, then that very important project will face a lot of challenges. We pride ourselves as Kenyans to have a reputable army that is very well versed and experienced in maintaining peace missions across the world. For that reason, I see no reason why we should not support this initiative.

I strongly support this Motion. Thank you.

Hon. Lati: Thank you, hon. Speaker. I also rise to support this Motion. The many years of stability in our country, the good presidents that we have had since Independence and the economic prosperity that we enjoy has placed Kenya in a very special place in this region. We are the economic powerhouse of this region. With that success there comes a lot of responsibilities.

There was one time the Prime Minister of Great Britain, Winston Churchill said something to the effect that the security of Great Britain is wholly dependent on the security of mainland Europe. I think Kenya is no exception today. Our security is wholly dependent on what happens around us particularly being a powerhouse around this region.

Hon. Speaker, it is not only for humanitarian purposes that I commend the President of Kenya for seeing it wise to take our troops to South Sudan but there are also other special reasons. We have security reasons. We have insecurity or cattle rustling in parts of northern Kenya today as a result of the happenings across our country. The proliferation of arms and the influx of refugees into our country are somehow related to what is happening in our cities today in terms of security.

I want to commend the Kenya Defence Forces (KDF) for the good job they have done in Somalia. The officers have made us proud and I am sure that they will do another good job in South Sudan. We also have a lot of economic interest in this country. The LAPSSET is a flagship project and is directly connected to the success and security in South Sudan. Kenya being a financial hub, there are Kenyan financial assets in South Sudan.

Hon. Speaker, hon. Members have raised issues on Kenya having partnered with Sudan in the last conflict. This country helped that country in very many ways. However, when South Sudan gained independence, they did not return a hand. They somehow mistreated Kenyan people in South Sudan. However, I want to say this. There is a

Swahili saying that *tenda mema nenda zako*. As a country that is very special to this region, she should not even look at that. Let us support the President to take troops to South Sudan and let that country see the good things that we do or the goodwill of the Kenyan people. It is fine if they see but if they do not, we have played our responsibility as far as this region is concerned.

Hon. Speaker, I support this Motion.

Hon. (Eng.) Gumbo: Thank you, hon. Speaker. I thank you for giving me the opportunity to contribute to this Motion. As I contribute, I want to say that what is happening in South Sudan is truly regrettable because it tends to reinforce the belief in some quarters outside Africa that some of our countries may have attained their independence prematurely.

Kenya's strategic interests in South Sudan have been well put not least of all is the LAPSET project. However, I think that once again the conflict in that country tends to cast a sharp focus on the role of the African Union (AU) which is the predecessor to the Organisation of African Unity (OAU) which was in some quarters described as a mere talk shop.

If you look at the objectives of the AU, you will find that one of the key objectives under Article 3 of the constitutive Act of the AU is to defend the sovereignty, territorial integrity and independence of member states. Another objective is to promote and protect human rights and people's rights in accordance with the African Charter on people's rights and other relevant human rights instruments. There can be no greater right than the right to life and the right to security.

Article 4 of these objects talks about the principle of the Union which among others talks about the right of the Union to intervene in a member state pursuant to a decision of the Assembly in respect of grave circumstances namely war crimes, genocide, crimes against humanity and the right of member states to request intervention from the Union in order to restore peace and security among several others.

Hon. Speaker, we have seen what is happening in the Republic of South Sudan. However, this is not only in South Sudan. The situation in the Central African Republic is equally dire because we are not just seeing religious profiling there but we are also seeing genocide being perpetrated more or less on religious grounds. It is very important Kenya as a key member of the AU and the international community intervenes if that will bring order to this country. This is because the last thing we want to see is what happened in Rwanda in 1994. When the genocide in that country was unfolding before our very own eyes nothing stood out more than the impotence of the AU. Millions of people were slaughtered and we appeared incapable of doing anything. I think this is a timely move. It is not just Kenya but we call upon the rest of Africa to intervene so that order can be restored in South Sudan which is a promising economy and in the Central African Republic. We do not want to witness the unfolding of another Rwanda.

Hon. Speaker, with those comments I support.

Hon. Limo: Thank you, hon. Speaker. South Sudan is one of the most important countries in the emerging markets.

Hon. Speaker: There is an intervention from hon. Chachu Ganya.

Hon. Ganya: Hon. Speaker, could it be in order if the Mover could be called upon to reply because since yesterday, almost every Member who has spoken has supported this Motion?

Hon. Speaker: Hon. Members, I think the point being raised by hon. Chachu is not entirely without merit. As a legislative Chamber if every Member rising in his or her place is in support of the Motion and no new ground is being broken--- You people must know that you have many other businesses here that you need to transact where you can make contributions. Our business is not just about the deployment of troops in South Sudan. But let us hear a few more Members but the point raised by hon. Chachu is valid.

Proceed, hon. Limo.

Hon. Limo: Thank you, hon. Speaker. South Sudan is one of the key emerging markets for our economy, the economy of Africa and the economy of the world in general. It is worrying when we see a country which has been developing very well going down the drain. Very many of our people who are either working there or doing business are at risk.

We know when the problem started in South Sudan quite a number of citizens of that country including the citizens of Kenya and other countries who had invested heavily in that country lost a lot of property. We cannot sit as brothers and sisters of that country and watch as they kill each other. I want to summarise by saying that it is really sad for Africans to lose humanity by butchering each other and yet we have a responsibility to protect humanity. As a responsible country, we will support that Kenya moves into South Sudan to help restore peace.

Hon. Speaker, it is also worrying that a country which had a lot of hope is losing focus. Therefore, we will support the deployment of our KDF. We hope that it will not take a lot of time before we release them because the more we delay the more this country gets into more trouble.

Hon. Speaker, I want to commend our President Uhuru Kenyatta because of the role he played in trying all means to bring peace. I was really moved when our own President took time and travelled to that country in an effort to bring peace and harmony. We want to urge the leaders of that country to put humanity into perspective and agree to put peace as a priority. This is because a country without peace is not a country.

With those few, remarks, I want to say I support the deployment of KDF to South Sudan to bring peace there because they are our brothers and sisters.

Hon. Wandayi: Thank you, hon. Speaker. I also wish to support this very important Motion. Indeed, what is happening in South Sudan is very regrettable. This is because a country which has just gained independence and has got to that level where it finds itself currently is really sad. But this is certainly a wakeup call to the African Union and other regional bodies, particularly the IGAD. This is because the signs were all there for anyone to see. Indeed, what I would want to say is that, any time we have a problem in South Sudan or in any other neighbouring country for that matter, it is a potential problem for Kenya. Therefore, what the country is doing now through this Parliament is really commendable and is something which would have been done even much earlier.

Hon. Speaker, what I would have wanted to see, perhaps, is clear definition of the mandate of the Kenya Defence Forces, once they go into South Sudan. This is because as currently crafted, the Motion basically talks about the forces participating in peace

support operations. We need to know for sure what these support operations entail. Are the KDF going to protect the civilian population? Are they going to have the mandate of confronting the combatants? Where does that mandate start and end? In future, it will be important to make it very clear.

Secondly, it is also important that when we authorize such deployment of forces, of course, we should also have a timeframe. It is important that the timeframe is agreed upon so that we do not take our forces to a neighbouring country indefinitely.

Finally, I must also state that the current situation in South Sudan is basically an indictment on the leadership of this great continent. It is basically a demonstration of failed leadership, not only in South Sudan itself, but in the continent as a whole. Many a time we leaders forget the fact that we have a huge responsibility as people who have been bestowed with the responsibility of leading other people. It is also important that when we send our troops to South Sudan, that is a clear message sent to all those combatants in South Sudan and specifically their leaders. Whoever is found culpable or whoever is found remotely responsible for these atrocities, he will have to be held accountable through the international criminal justice system. That is the only way we can prevent such occurrences in future; not only in South Sudan, but in other parts of the continent.

With those few remarks, I support this Motion.

Hon. Tonui: Thank you, hon. Speaker for this opportunity to contribute to this Motion. I want to say that I support this Motion because we need to support this young neighbouring nation.

Hon. Speaker, I hope that our involvement in this situation will not lead to another vulnerable situation like what we are currently facing with the *Al Shabaab* from Somalia. Though it is affecting us negatively, I believe it was necessary to take our defence forces there.

Hon. Speaker, with regard to South Sudan, when I watched what happens there yesterday, I saw a very pathetic situation and that is why I am sympathetic to that situation. If it was the case of Somalia, I would have said that we required caution because of *Al Shabaab* who have been attacking us of late. The situation which is in South Sudan, I believe is similar to the situation that prevailed in Rwanda and which we need to intervene to ensure that we save lives.

Hon. Speaker, I hope that when we send our soldiers there, they will not be partisan and they will only be dealing with peacekeeping to ensure that there is security in that country. It is so important for us as a country to have peace in South Sudan so that we can also benefit in various sectors in that country. There are lots of opportunities for investment in South Sudan.

Hon. Chepkong'a: On a point of order, hon. Speaker.

Hon. Tonui: There is nothing out of order. Just keep quiet for a minute. He is making noise disturbing me here. He is a good noise maker.

I am saying that South Sudan avails lots of opportunities for this country.

Hon. Chepkong'a: On a point of order, hon. Speaker. It is not that I have anything against the hon. Member because he put in a Motion against my own friend, hon. Kazungu Kambi yesterday. Of course, he knows I intend to oppose it. On a more serious note, I rise pursuant to Standing Order No. 83 as read together with Standing

Order Nos. 95 and 106. I have listened since yesterday when some hon. Members were not here. They are repeating exactly what other hon. Members have just said. We are in breach of our own Standing Orders.

The Standing Orders say that the Speaker or the chairperson of a committee, after having called to attention the conduct of hon. Members who persist in tedious repetition-- Every hon. Member who has stood here says: "I support." Is that not repetition? It is not only repetition, but tedious!

(Laughter)

Will I not be in order to call upon you---

Hon. Angwenyi: You are taking our time.

Hon. Chepkong'a: Ignore hon. Angwenyi, I know he is more senior than me and he is a former lecturer. He knows that when his students are speaking, he should keep quiet.

(Laughter)

Would I be in order to call upon the Mover to respond?

Hon. Speaker: Anyway, can we allow hon. Tonui to complete his contribution. For the first time, of course, everybody is supporting including hon. Opiyo Wandayi. That is why I am wondering whether we are not---

Hon. Tonui: Thank you, hon. Speaker. I am also supporting. You know there was that feature on television yesterday and I believe that is really influencing all of us. We watched what is happening in South Sudan.

Hon. Speaker, a stable South Sudan will present a lot of opportunities to this country including availability of job opportunities for Kenyans. They are currently lacking teachers and you know I was a teacher. We have many teachers in this country who have been trained but they are lacking employment. This is because Parliament votes very little money for the Ministry of Education, Science and Technology and TSC. We will create job opportunities in South Sudan if we contribute to peace keeping missions in that country. Therefore, I fully support this Motion. I do not know what is wrong with us as Africans that we always resort to violence, butcher each other and kill each other when we can rarely hear of other countries fighting the way we do. I wish we established a force for the African Union so that it can deal with such a situation.

With those few remarks, I support this Motion.

Hon. Speaker: There are some hon. Members who have put in interventions. Let me hear the intervention from hon. Dawood.

Hon. Dawood: On a point of order. Is the hon. Member in order to say that us Africans butcher ourselves whereas he knows a lot of other communities butcher themselves as well in the whole world? Is he in order to make such a remark? I think he should withdraw.

Hon. Speaker: Well, he has finished his contribution. Another intervention from hon. Rose Nyamunga!

Hon. (Ms.) Nyamunga: Thank you, hon. Speaker.

Hon. Speaker: But you have put your card for intervention.

Hon. (Ms.) Nyamunga: Hon. Speaker, the intervention is that you have just put it very clearly that everybody is supporting, but here I am, I am not going to support. Can I be given the opportunity to articulate my points, if you do not mind?

Hon. Speaker: Proceed.

Hon. (Ms.) Nyamunga: Hon. Speaker, in my view, I do not think that the Kenya Government should once again release the Armed Forces to go and support the Sudanese. My reasons are as follows: For a very long time, if you take the example of Somalia, we have taken our Army to Somalia, but instead of getting any support from any other end, our people have suffered so much. We have lost a lot of young lives and we keep on doing that. Instead of being appreciated, we realize that we put our country in even great danger. Right now, we have a lot of attacks. There are explosives all over the country. In my view, this is because of the support that we are giving to the Somali people. They do not appreciate. So, there is no need of putting the lives of our young people in the lifeline any more.

Secondly, we have taken a lot of our time supporting the people of South Sudan and in return, when our people went there to do business, they have suffered so much in the hands of the Sudanese. We can support them on humanitarian ground, but it should not be taken for granted that Kenya is always there supporting or accepting all the refugees from all over East Africa and at the same time supporting any country as long as there is any problem in our neighbouring states. I know very well that we need to have a cordial relationship in East Africa, but it should not be left to Kenyans alone. The Ugandans, Tanzanians and everybody should be there, so that it becomes an East African affair and not a Kenyan affair. The way it is, we are putting our life and our country in danger. Even the trade that we are talking about has suffered. We, Kenyans have suffered enough and I do not think that we should take another risk to support the Sudanese again. It should be an African affair. The IGAD should come up and give us the way forward. This should not only be an African affair, but a worldwide affair. If you allow us to go there, then the problem falls back to our people. It is not fair. Something should be done on humanitarian ground, but it is not a Kenyan affair and I do not support the fact that Kenya should send further troops into South Sudan to support them. Let it be the whole world's affair and not a Kenyan affair.

Every time, we are suffering as Kenyans. Yesterday, we had an explosion and this is because of this constant support that we keep giving to other nations. When we did it with Ugandans, there was the same problem. In my view, we are talking of humanitarian grounds and I know it is important to help our neighbours, but we must also look at our citizens, our army, the relatives and parents of all the people who keep suffering. While they are there, there must be specific support for our people. Yes, we take them there, but do we give them specific support? Do we protect our army that we send to these neighbouring States? I do not think we do that. So, unless we put our house in order, we should protect our Kenyans here and our people that we send out there.

Hon. Speaker: Hon. Timothy Wanyonyi, but before you start, let me also draw the Members' attention to the fact that this particular Motion, the request that has been presented to the National Assembly originates from a request; you saw the letter conveying the request, from a resolution of the United Nations Security Council. It is also

good to understand unipolar politics, so that you move away from the village and understand unipolar politics. Hon. Tim Wanyonyi.

Hon. Wetangula: Hon. Speaker, I wish to support this Motion, but first, I wish to point out that the conflict in South Sudan has been aggravated by the presence of the Ugandan troops. When Uganda sent her troops, they went there and became partisan. They supported one side and that is how that conflict has spread.

So, I hope that as we deploy our troops, they are going to restore order and peace in that country as per the request from the United Nations Security Council, but not to take sides. We have so much interest in South Sudan; the youngest State in Africa and being so close to Kenya, we treat it as our kid brother. So, we must take our troops there and make sure that we help to restore peace and order. The two gentlemen that have caused this problem, namely, Salva Kiir and the other gentleman, we believe they belong to prison. They should learn a lesson from Kenya when we had a conflict in 2008 and our two leaders stood out and brought peace by sharing power, namely, hon. Mwai Kibaki and Right Hon. Amollo Odinga. They should learn from this country.

Most of these people have stayed in our country so much and everything, including the freedom that they gained, was negotiated through our effort. So, I believe that by deploying our troops, we must also invest in other means to make sure that this conflict is resolved once and for all. The problem in South Sudan also started when John Garang died. I think Salva Kiir was not ready to be the leader of that country. His taking over the leadership was just a stop gap measure and since he was not ready, he has caused this conflict. I hope that by deploying our troops there, we will make sure that we help that country to put her house in order and bring peace in the youngest State in Africa.

With those few remarks, I support.

Hon. Abongotum: Thank you, hon. Speaker for granting me the opportunity to support the deployment of our forces to South Sudan. I speak as a scholar in international relations and as an authority in South Sudan issues. I had the privilege of being a chief guest in Juba when they were campaigning for the referendum. I was there with hon. Ethuro and Charles Kilonzo and I was the chief guest in that forum.

We advised the people of South Sudan then to use their ballots and not the barrel of the gun. We told them that the time of killing and maiming each other should end. Of course, they got their independence, which we even attended. Hon. Salva Kiir himself wrote to ten of us to attend the swearing in ceremony. I think the leaders in South Sudan are not serious, we are saying this with a lot of seriousness as leaders of this country. I know in South Sudan they are watching *Citizen Television*, they are watching our debates, live in their country and we want to send a strong message that President Salva Kiir and Dr. Riek Machar must sit down and share that government, because without sharing they will transfer all those problems to this country.

I know without peace in South Sudan, even our LAPSSSET Project, which is one of the most highly funded projects in Africa at the moment will actually come to a halt. As we speak, the Kenyans in South Sudan are actually suffering, those who have been doing business there. They have not actually enjoyed the reciprocity that we have been giving the people of South Sudan in this country. They come here and most of them are our friends, we even enjoy beers with them in Hurlingham and other places, but they should not forget their country.

As we deploy our men and women to South Sudan, we want them to be neutral, and not to take sides. I know one of my Members in the committee is actually an envoy trying to broker peace in that area, hon. Dalmas Otieno. He wants to be the future President of one of our parties in the former Nyanza Province. At the moment, the situation is so precarious and risky that business is about to actually come to a halt in that country. We are being told that the Kenya Commercial Bank is pulling out, I know that it has over 20 branches in places such as, Malakal, Rumbek, Joglo, Bor and other places. If the banking industry collapses, it means now everybody will be going back to the jungle. The two principals must take their work seriously and in fact we need as a country to even consider sanctions, so that they can take these ongoing negotiations very seriously. I want to also say that the refugee camp in Kakuma has been home for many Southern Sudanese for a very long time. For how long must they become refugees in our country? This refugee status must end. I do not know whether there is something special about that camp?

Hon. Speaker: Hon. Junet.

Hon. Nuh: Thank you, hon. Speaker for giving me this opportunity to contribute. I support this Motion fully because what is happening in South Sudan is very inhuman and nobody can sit comfortably watching what is happening there. I want to congratulate His Excellency the President for being proactive since this issue of South Sudan started. His Excellency the President has been fully engaged in this matter since war erupted in that country and that is a commendable job as a big brother and the Chairman of the East African Community. I would like to commend him genuinely not that I am joking. This is because he has taken steps and initiatives that can save lives of our African brothers. I am not a mole at all. We have only one president in this country and I can only be under him as a mole. I am contributing as a Kenyan and as a Member of Parliament for Suna East Constituency. I must say thank you because what happened in Rwanda could as well be repeated in South Sudan. The President even went ahead and appointed a special envoy from this House and from my county, the former chairman of a parliamentary group from Migori, to South Sudan. Of late he has not been appearing in Parliament. I do not know whether he has permission from the Speaker to be a special envoy as well as a Member of Parliament for Rongo.

(Laughter)

What is happening in that area is very sad and not a laughing matter, but I would like to urge the country other than sending troops there to save lives, we also need to send experts from here on *nusu mkate* business so that they can cut that *mkate* between Dr. Riek Machar and President Salva Kiir. This is because we have expertise in this country that can make that kind of business very easy. In one week's time, they will agree and share everything and you will see South Sudan back to normal status. This is because we have the experience and the knowledge

(Laughter)

This country did not go that far in 2007 as South Sudan. Immediately we came together, we shared a few things here and there. The Leader of Majority Party that time became the Assistant Minister for the Livestock Ministry and he was a very happy man.

(Laughter)

I request, other than sending troops, His Excellency the President should take a message to them that there is this business of *nusu mkate* that can save a country.

With those few remarks, I support.

(Laughter)

Hon. Speaker: Hon. Angwenyi

Hon. Angwenyi: Thank you very much, hon. Speaker for giving me a chance to contribute to this Motion. First, I want to bring in new facts. The first is that most of these crises are fueled by Western powers. They have done it in Northern Africa; they now want to move to Central Africa. They started in fact some 54 years ago in the Democratic Republic of Congo (DRC) and there has never been peace there. This is because they want to have crises there so that they can exploit the resources of that country and Africa, for their own benefit. South Sudan as you know is the only country which competes in terms of resources with the DRC.

This is what has been created, and can last decades with our African people suffering in that country. So, the response being given by our President and our country is the right one at the right time. What we should do is send our forces there and ask other African countries to send their forces there. Once we clear the problem, we must send all the refugees from South Sudan who are in Kakuma Camp back to their country and some others are in Nakuru, I understand. They should all go back. We are going to do the same, when we succeed in Kismayu and other places. All the refugees in Dadaab Camp should be sent back to their countries, so that our country can remain peaceful for a change.

The second fact is that South Sudan is our product. The peace agreement was presided over by General Sumbeiywo and our former Vice-President; this was the agreement that gave them independence. So we should be concerned. You have seen how the Western powers are concerned about Ukraine, Yugoslavia and Kosovo. We should be concerned as Africans when we see one of our countries going to the dogs. As you know, South Sudan was going to be our major market for most of our products, even for job creation.

So it is upon us, if we can support our security forces, even our policemen the way I have seen it done in this House today. In fact, this afternoon I wanted to raise a point of order on whether we should have a minute of silence for the two policemen who were killed yesterday at Pangani, but I did not catch the Speaker's eye. I am still analogue and not digital, so he could not see me.

(Laughter)

This is a commendable thing and we should persuade other African countries to move in so that they can stop this problem quickly, even if it means apprehending President Salva Kiir and Dr. Riek Machar. They cannot slaughter our people in South Sudan.

With those few remarks, I beg to support.

(Applause)

Hon. Speaker: Richard Makenga. Is it a point of order from hon. Tong'i?

Hon. Kaluma: On a point of order, hon. Speaker.

Hon. Speaker: Hon. Members, you do not just rise. I can see hon. Kaluma. You must understand the gadgets. When you put in a request, it is different from when you are putting in an intervention. Please, I think we may have to conduct some further tutorials or further adult literacy classes for this. Yes, hon. Peter Kaluma.

Hon. Kaluma: Hon. Speaker, I am waiting to contribute. I was begging to draw your attention to the fact that by the numbers I have observed from the point I am sitting, there appears to be a bit of injustice to the right side of your hand. The CORD side has been fewer than 20 Members of Parliament since we started and you can see the entire leadership row is empty. I was going to request that we do two this side and one that side so that we can contribute. I beg for an opportunity to contribute in that balancing. Even four to one, if they do not want to come to the House.

(Laughter)

Hon. Speaker: Proceed, hon. Makenga.

Hon. Makenga: Thank you, hon. Speaker for giving me this opportunity to contribute on this very important Motion. I want to support the Motion simply because the problems affecting South Sudan are our problems. What we have seen on television of late is very sad.

The problem which is affecting South Sudan is going to have adverse effects on Kenya. We know very well that there are some Kenyans who are living in South Sudan. They are not at peace. We know very well that business in South Sudan is at a halt. The LAPSSET Project which South Sudan is part of the agreement actually is hanging in the balance and basically there is going to be very adverse effects on Kenya.

Hon. Speaker: Hon. Members, please, because the issues about LAPSSET and others have been said, you are offending your own Standing Order No.106. You were here when somebody talked about LAPSSET and the Kenya business community in Sudan that is suffering. These have been said. Any new ground?

Hon. Makenga: Thank you, hon. Speaker. I want to add that the influx of refugees is also going to cause---

Hon. Speaker: Even that has been said so many times.

Hon. Makenga: Yes but they will also come into the country with small arms which is going to affect our people. They will come with small arms and sell them to our people who will handle those---

Hon. Speaker: Hon. Makenga, Standing Order No.106 talks about tedious repetition of arguments that have been used by others. I have to draw your attention to it so that if I discontinue you, you do not ask why.

Hon. Makenga: Thank you, hon. Speaker. I stand to support and I support the Kenya Defence Forces (KDF) to be deployed to South Sudan.

Hon. Speaker: Hon. Langat.

Hon. Langat: Hon. Speaker, I think listening to the debate, and since yesterday we have been debating this Motion, may I request that you call upon the Mover to reply? I think this House should have standards in terms of how long we discuss a Motion. This is because we have so many pending businesses. I think we are really over killing this Motion and I really want to request that the Mover be called upon to reply so that we transact other businesses that are actually ahead of us.

Hon. Members: On a point of order.

Hon. Speaker: Hon. Members, look at your Standing Orders. When the Speaker is on his feet, you either freeze or you must remain silent. Hon. Members, I think you have to make a decision. The Order Paper has business up to Order No.17. This Motion is only Order No.11 and it is already past 5.00 p.m. and you sit up to 6.30 p.m. You will have to make up your minds here whether you want to spend the whole afternoon on only this one Motion and then of course at the expense of the other businesses which are lined up. So, hon. Members, I want to put the Question.

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

Hon. A.B. Duale: Hon. Speaker, I want your indulgence. I want to give two minutes to hon. Benjamin Langat to make his contribution and then I move.

Hon. Members: No. No.

Hon. Speaker: Yes, hon. Cheboi.

Hon. Cheboi: Hon. Speaker, the honourable Leader of the Majority Party is a very senior and seasoned Member of this House. In fact, he is one who is unequalled in many fields but I think it is important to point out to him that since this is a decision that was made by the House, he surely cannot have leave to donate time to anybody else. All he actually needs to do is to briefly move and finalise this thing. The reason why hon. Langat asked the gentleman there to respond was because he wanted to save the time of this House and it would be totally against the Standing Orders.

Hon. A.B. Duale: Thank you, hon. Speaker. I take the wise decision of hon. Cheboi but we will sort it out with him and hon. Benjamin in another place on why he is doing this. There is a place where we meet.

However, hon. Speaker, first, I want to thank my colleagues for ably raising substantive issues on our deployment of officers to South Sudan. The most important contribution, in my opinion, was made by hon. Junet. I know he has been very busy trying to create a certain leadership within the CORD and I wish him well. This is because in your first year in Parliament, you must create a name for yourself and he is creating one out of that.

Secondly, he has also said that he wants the South Sudanese to borrow the Grand Coalition formula. The architect of the formula is one man called Kofi Annan. He must be somewhere and the other two are the retired President and our retired former Prime Minister, hon. Raila Odinga and I think they can give him very good advice on how to bring on board Riek Machar and Salva Kiir and save the many thousands of South Sudanese.

Hon. Speaker, last night I watched CNN and other international channels. What is going on in South Sudan is genocide and I am sure Riek Machar and Salva Kiir must live to their leadership. They cannot fight for power and kill their citizens. I saw people saying on television that they were better off since the northerners never killed them when South Sudan was under the north but now their own leaders are killing them. I am sure the KDF have done very well in Sierra Leone, Liberia and Somalia in any mission they were sent to undertake and we expect the 690 who are there to similarly do so. If we give the approval for the extra 310, then it will be good. Then the next phase we have hon. Dalmas Otieno. He should take the message of the half loaf. I mean we did not send him there as a military officer. We have sent him as a political envoy. The deal is to take the half loaf concept that worked very well in Kenya. Mr. Salva Kiir has no choice; he must sit with Riek Machar to save the people of South Sudan the way hon. Raila and hon. Kibaki saved the people of Kenya. They must offer leadership.

Hon. Speaker, finally, since the Comprehensive Peace Agreement (CPA) hon. Members have said very candidly we have been helping them. We will help them now but once South Sudan is stabilized, we should not be receiving coffins. Even in this current conflict, the biggest losers are the Kenyan businessmen. Our businessmen were looted, yet businesses of other neighbouring countries were not touched. Kenya lost heavily. The Kenya Commercial Bank (KCB) was looted in Malakal, Bentiu and other places.

So, I beg to move and thank the House for fulfilling its constitutional mandate of giving the Executive the powers and approval to send the 310 men and women to join our 690 KENBATT 22.

(Question put and agreed to)

BILL

Second Reading

THE PUBLIC FINANCE MANAGEMENT (AMENDMENT) BILL

Hon. A.B. Duale: Hon. Speaker, I beg to move that the Public Finance Management (PFM) (Amendment) Bill, National Assembly Bill No.12 of 2014, be read a Second Time.

The principal object of this Bill is to amend the PFM Act, No.18 of 2012. Why does it have to do this? One is to facilitate the Government and create a legal framework within that Act for the issuance of external Government securities and receipts of proceeds and to ensure smooth implementation. This amendment will facilitate the

Government to mobilize external resources for financing development programmes and projects in our country.

Clause 1 of the Bill sets out the short title of the proposed Act, while clause 2 proposes to amend Section 2 of the principal Act. Basically, it clarifies the definition of “Government security” in alphabetical order. This Bill has been before the Budget and Appropriations Committee, and so I am sure hon. Members of that Committee will follow what the amendment is all about. Clause 3 of the Bill proposes to amend Section 50(7) of the principal Act; that is the gist of the whole amendment. That is to provide for receipt of the proceeds of any loan raised or external Government security ordered under this Act, whereas clause 4 of the Bill proposes to amend Section 56(6) of the principal Act. What does it do? This is to distinguish between the national Government securities and external Government securities. Clause 5 of this Bill proposes to amend the Act by introducing a new Section 53A. This new section is to provide for the issuance of external Government securities.

Clause 6 of the Bill proposes to amend Section 55 of the principal PFM Act. This is to make it crystal clear the role of the registrar of securities in relation to external Government security. This amendment is basically a legal framework because the National Treasury wants to do an external sovereign bond of Kshs130 billion. Currently, the Government’s local domestic borrowing is to the tune of Kshs22 billion and it is coming to an end at the end of May. The Kshs130 billion external borrowing, I want to make it very clear, will enable the Government not to borrow from the domestic market. When it does not borrow from the domestic market, it will reduce the interest rates; one of the reasons why we have high interest rates in our country is because of Government borrowing from the domestic market. So, we expect that if they borrow Kshs130 billion from the external market, there will be two good things for this country. One, the private sector will have enough money to borrow, and so there will be no question on the private sector. The private sector can negotiate with banks at an interest rate of their own.

This House, before the end of this year must find a solution to the problem of interest rates. Kenyan companies are competing with foreign companies, the Chinese, the Turkish and Western companies, which come to do business here on borrowed resources at a rate of between 3 per cent and 4 per cent, while Kenyan companies borrow at an interest rate of 19 per cent. So, how do we compete? These companies will ultimately get out of the market. So, we are creating this legal framework so that the National Treasury can use the external sovereign bond. We get the Kshs130 billion and first offset the over Kshs52 billion in the domestic market and tell the local banks--- I am sure that the local commercial banks are not happy with this amendment, or with the external Kshs130 billion borrowing.

So, this is the best route for capping interest rates. I want to challenge the Chairperson of the Departmental Committee on Finance, Planning and Trade--- We are aware of the Donde Bill. We are aware that the last Parliament had it in the Finance Bill. This country cannot, in my honest opinion even as a Member of Parliament, develop with high interest rates. Secondly, when we have companies that can get loans at an interest rate of 3 per cent--- The Exim Bank of China gives Chinese companies 3 per cent. Turkish companies are getting 4 per cent while Western companies are getting 4.5 per cent. Kenyan companies are competing with those companies with their domestic

borrowing at 19 per cent. We are changing this Act to give a legal framework and it is good for the country. It is also good for creating a stable macro-economic stability.

Because the Chairman of the Budget and Appropriations Committee is not around, I will ask his able Member, hon. Ng'ongo to second this PFM (Amendment) Bill, that has been brought to the House today.

Hon. Ng'ongo: Hon. Speaker, this House will recall that for the first time in the history of this country, we approved that the Government of Kenya can get financing of our Budget from issuance of sovereign bonds. It would be important for this House to note why it is necessary for the Government of Kenya to go that route. First, we need to diversify our sources of funding or borrowing. We need not over concentrate on domestic borrowing. In the past we have had mostly domestic borrowing, external borrowing in Government to Government arrangements, and in certain cases, we have received grants. However, for a long time we have said that we need, as a nation, to start issuing sovereign bonds. The beauty of these bonds is that they are project-specific. If, for example, we want to finance a geothermal project, we float a bond externally to finance that specific project. If we want to finance, say Thika Super Highway from Nairobi to Thika, we will again float a sovereign bond specifically for that project. Therefore, chances are that we will get value for the money that we borrow in that kind of arrangement.

Hon. Speaker, I wanted to start by thanking the Government for the first time, because this is something we have spoken to many times. We thought that part of our Budget would be financed in the 2011/2012 Financial Year through issuance of sovereign bonds. Why is the amendment to the PFM Act necessary?

We realized when passing the Budget that allowing the Government to issue sovereign bonds externally will get us money when individuals and investors with money out there give us loans at concessionary rates. As a country, we do not have a legal framework on how this money will be received in this country. Therefore, what this amendment is seeking to achieve is to provide a legal framework for receipts of money from external Government securities. That is the essence of this amendment.

Hon. Speaker, I will not speak a lot on the clauses that do not have issues. This is because, as hon. A.B. Duale has said, and I do not want to repeat it, if you look at Clause 5, you will find that it provides the detailed procedure, or creates a new Section 53A in our PFM Act to provide clearly on how money from sovereign bonds will be received. It also gives details of how to get into the contract with the external financiers.

I just want to point out that when we reach the Committee of the whole House Stage, there will be issues that we will need to address. I am now speaking as the Leader of the Minority Party, because I was handed over that mandate officially before the Chief Whip left.

Hon. Speaker, I am particularly disturbed by one of the proposed amendments. That is under Clause 3(c) which talks about the money sourced--- It reads:-

“The Cabinet Secretary shall ensure that proceeds of any loan raised under this Act are -

(a) paid into the consolidated Fund”.

I do not have a problem with that. However, I have a problem with part (c) which says that it can be disbursed directly to the suppliers where the loan is raised for the purpose of financing goods and services provided by a supplier outside Kenya.

To me, this violates the provisions of Article 206 of the Constitution, which are very clear. It says that any money that is received in this country must either be taken to the Consolidated Fund, or, in accordance with an Act of Parliament, taken to another public fund. There is no provision in our Constitution that allows disbursement of money directly to a supplier outside the country, even if that money is raised externally. The danger of this is that you may end up even financing some Anglo Leasing type of projects, if you are not careful. I think that should be looked into. If you look at Article 228, you will realize that we will be making a very big mistake in this country if we do that.

The current PFM Act talks about national Government entities receiving money but does not talk about the national Government. There is a distinction between national Government entities and the national Government. National Government entities are like parastatals. So, what we did in error, as a Parliament, was to clearly provide for national Government entities to receive money or loans from outside, and fail to provide for the national Government to do the same. That was a very serious oversight. So, Clause 3(c) will address that.

I am also concerned about Clause 4(b), which says that the provisions of this section shall not apply to external loans or external Government securities. That is causing a little concern to me. I looked at what is provided in sub-section (6) and I realized that probably what we are trying to avoid is giving public information about what we have borrowed from outside the country. Why should we prevent the people of Kenya from knowing if we have issued sovereign bonds and they have been sold out or bought by some external financiers outside there to construct, say a major dam, in this country? Why should the people of Kenya not know it? These people should know that and should have that information. I think there is no reason at all to deny that information to the people of Kenya.

Clause 5 which is creating a new Section 53(A), sub-clause 2 says that the Cabinet Secretary may raise an external loan or issue external Government securities authorized by this Act, on behalf of the national Government for money borrowed by the national Government in such manner as the Cabinet Secretary may determine.

I have no issue with that but allowing the Cabinet Secretary to do it in whichever manner he or she would like is being a bit careless with our legislative role. We need to define specifically in which format or manner the authorization should be done.

If you go to Clause 6(c), you will find that the appointment--- We have provided that the Cabinet Secretary can enter into contract and in his or her absence can delegate to his appointee or the borrowing agent. However, it is not specific. This appointment should be done in writing because in the delegation part it talks about the Cabinet Secretary doing it in writing. When it comes to appointing an agent who may not even be a Kenyan, and in most cases these will not be Kenyans but will be legal representatives, then we have failed to capture that it must be in writing.

Hon. Speaker, I want to move a bit faster because I know I had only ten minutes. Maybe, I just have two minutes left.

I have also noticed that in the case of external Government securities a duplicate external Government security may be issued in accordance with the terms and conditions applicable to external Government securities to replace an external Government security that is lost, damaged or destroyed. To me, this is a very important document and I do not understand why we should give room for issuance of duplicates; it may be misused.

Section 55 of the PFM Act provides for the Office of the Registrar of the National Securities under the Public Debt Management Office. That office does a lot of activities which I cannot go into now; but as I said before, we realize that we are trying to exclude the external borrowing from this office. I find that a bit interesting. Therefore, at the Committee Stage, I hope some of the issues that I have raised will be discussed and amendments brought forward. But, by and large, I think this House owes it to the people of Kenya to pass these amendments, so that we can execute what we passed in the Budget.

I beg to second. Thank you.

(Question proposed)

Hon. Langat: Thank you very much, hon. Speaker. I want to thank the Leader of Majority Party and hon. Ng'ongo for moving and seconding this Bill.

As has been said, this Bill tries to give effect to what the Government is planning to do, and that is planning to borrow from international markets. As a country, I think, we have come of age and this is the time the Government needs to look outside our borders for the resources it requires for the development of this country.

As has been said, one of the factors causing the interest rates in this country to really rise to a level where they are now around 20 per cent, is because the Government is a very active player in the market. In fact, if you look at borrowings in the local money market all the time, the Government is always borrowing from it. It is actually posing serious competition to other borrowers because it has the capacity to attract huge resources. But if this House allows these amendments to pass, we will simply allow the Government to borrow from the international market. The Government can borrow from wherever the interest rates are cheap. This will allow local businessmen to borrow within the borders of Kenya.

Hon. Speaker, I believe the day we will approve this Bill and the Government starts to borrow from international market, we will see a positive change in terms of interest rates in this country. Therefore, this is a very good amendment which this House must support. By passing it we will be solving two issues, one we will be enabling the Government to get resources from outside the country at cheaper rates. Secondly, we will be assisting our local businessmen to get loans at lower interest rates.

Hon. Speaker, on the issues that have been raised by hon. Ng'ongo, I want to say that we have started, as a Committee, on this Bill. We have actually identified many issues which we are going to address at the Committee Stage. I would like to encourage hon. Members to obtain the report of my Committee from the Table Office, so that they can see what the Committee has done and recommended.

Hon. Speaker, we have even gone beyond these amendments and said, perhaps, we should use this opportunity to address the other issues we have been having under the

Public Financial Management (PFM) Act. One of them, and about which the hon. Members have been complaining, is the time this House has to address the issues of Budget, the timing of the Budget Policy Statement. In most of the times we work on the last day to address Budget issues.

Hon. Speaker, my Committee has looked at that matter and, maybe, at the Committee Stage, we will want to re-look at the issue of timings of the Budget Policy Statement, so that we give the House more time to look at it. Also we will give the House more time to look at the Estimates. This is because most of the time we burn the midnight oil to meet the deadlines. Therefore, this could be the opportunity to address some of the issues. My Committee will bring proposals to that effect once we agree as Members of my Committee.

Hon. Speaker, I agree that some provisions in the Bill are not right, as mentioned by hon. Ng'ongo. For example, when you talk about amendments to Clause 5, which is introducing a new Section 53A (1), subclause (6) says:-

“An external loan or external government security may be executed on behalf of the national government only by—

- (a) the Cabinet Secretary;
- (b) a delegate appointed by the Cabinet Secretary, in writing; or
- (c) a borrowing agent appointed for the purposes of this Act.”

I think the Committee also observed and said that clause talks of an agent, but it is not very clear on who actually appoints this agent. It is not even whether the appointment is a right. Therefore, my Committee will bring an amendment to this, so that it is very clear who appoints the agent and in what circumstances that agent can be appointed.

Hon. Speaker, there is also Clause 3 which states that the proceeds from loans can be used to pay suppliers directly. I think there is an issue and my Committee will really tighten that clause. That clause proposes that we net off the borrowing expense from the loan. I think to really have clarity we should ensure that we separate the expenses from the proceeds so that it is very clear how much cost we have incurred to borrow particular loans.

Hon. Speaker, I want to request the House to support these amendments, so that we can play in the international market. Kenya is now a serious economy, especially in the East African region. Already Rwanda is ahead of us. They are borrowing externally and I think Kenya is ready; we must support that. Let us emulate them and also play at that level.

With those few remarks, I want again to ask hon. Members to, for the purpose of the Committee Stage, obtain the report of my Committee, and look at the details and the proposals that we have worked out. We are still consulting with Treasury on one or two things, so that we finalize those amendments and finish with this Bill. This is a fairly short Bill and I want to request hon. Members to support it.

Thank you.

[The Speaker (Hon. Muturi) left the Chair]

[The Temporary Deputy Speaker]

(Hon. Kajwang') took the Chair]

Hon. Wangamati: Thank you, hon. Temporary Deputy Speaker for giving me this opportunity to contribute to this Bill. As leaders in this country we know that doing business in Kenya has become very expensive. If we have to do business and compete with other business people--- When you go to our banks in this country, interest rates are very high. It also becomes very difficult for an ordinary Kenyan to get facilities from banks. It is high time, as the Chairman of the Finance, Planning and Trade Committee has said, the Committee came up with a workable method that we can approve here in House, and enable the Government to deal with agencies overseas.

Hon. Temporary Deputy Speaker, we have micro-finance institutions, and you find that some agencies outside are prepared to release money to them; who can give a letter of credit for this? It is difficult to obtain this letter; it is difficult for us to move fast.

Hon. Temporary Deputy Speaker, when we look at a country like Rwanda, we automatically conclude that our experts in this country are not taking us seriously. This is a country which has been in problems but it is ahead of Kenya in money borrowing matters.

I want to support this Bill, so that the country can move forward and experts can start planning for this country well.

I support.

Hon. ole Ntutu: Thank you, hon. Temporary Deputy Speaker, for giving me this opportunity. This is a very straightforward amendment to the Public Finance Management Act. We want to provide a legal framework, so that our Government can borrow from outside. The reason why we have had high interest rates in this country is because we have not provided, as the National Assembly, a framework to enable the Government to borrow from outside.

When you look at other countries all over the world, they have opened up the basket, so that the Government can engage with financial institutions in their securities and even lending among governments. This has not happened. I remember some years back, hon. Donde tried to look for ways of reducing interest rates in Kenya. He tried to address this issue, but nobody listened to him. He was asking how we can reduce interest rates in Kenya. This is one way and we must congratulate His Excellency the President and his Cabinet for coming up with this very brilliant idea to change the way we do things. Let us think outside the box. As a country, we have been thinking just within the box without expanding our thinking.

I also share the sentiments of my colleague that allowing the Cabinet Secretary and other agents to put signatures--- We must make sure that it is crystal clear as to who should put the signature on the dotted line to say that we have agreed with so and so to borrow money from outside. Otherwise, we will have another Anglo Leasing.

I must also say that I like the idea that all the proceeds that we receive from this borrowing will go directly to our Consolidated Fund, so that we can trace where it will be coming from. On the issue of external borrowing, we must register, so that we can have transparency in the kind of security that we will be giving out.

For the last past week, we have been talking about the issue of paying the Anglo Leasing money. One of the reasons why we want to pay this money is because we have

been defeated in the High Courts of New Zealand and London. The other reason is that we want to issue a foreign bond and we are being told that the moment you issue that bond without paying this Anglo Leasing money, you will end up destroying your reputation as a country and anything can happen with that bond in Kenya.

With those few remarks, I support this amendment and I thank you for the opportunity.

Hon. (Ms.) A.W Ng'ang'a: Thank you very much, hon. Temporary Deputy Speaker. I contributed to the earlier Motion, and I will still contribute to this Bill.

I rise to support the amendment Bill. Once people diversify, we will spread out risks. When we borrow here and put all our money in the same basket, and anything goes wrong, it will mean that we will lose. But if we diversify and borrow from different external institutions, it will mean that we will spread risks; if the deal is good, we will win, but when the deal is bad, we will share the loss with others. The pressure that we are having now due to high interest rates is because we are competing with the Government to borrow. There is no way you can compete with the Government and you win. The interest rates go high because when the Government comes in, the banks want to increase the interest rates. But if we borrow externally, it will mean that the pressure on our people will ease and the interest rates will go down. People will borrow at cheaper rates and businesses will grow.

Right now, if you go to the streets, or to businesses, the traders do not want to borrow any more. Money is circulating as in the old days when people kept money in their houses and borrowed from their friends or somewhere else but not from banks. This is because when people borrow from the banks, they pay twice or thrice the amount of money that they borrow. Many businesses are closing down. In business, the first five years are paramount. That is when the business picks or goes down. So, for the first five years, if the interest rates go down, every person will be willing to go to the bank and borrow and there will be economic growth. Right now, we cannot grow at the rate we want to. When the interest rates are high, everybody shies away, and it means that we are stuck. Our growth will become stagnant or decline.

I support this amendment Bill. Let us borrow externally.

Hon. Mulu: Thank you, hon. Temporary Deputy Speaker. I also rise to support this amendment to the Public Finance Management Act, 2012. I want to remind the Members of the fact that this House passed the 2013/2014 Budget. Part of that Budget of Ksh130 billion was supposed to come from sovereign bonds. When the implementation of the Budget started, reality dawned on us and the Budget and Appropriations Committee and the Finance, Planning and Trade Committee were made aware that even though this money was part of the Budget, the legal framework for sovereign bonds to be floated out there in the market was not in existence. For a sovereign bond to be floated, then we had to do amendments to this Act to provide the required legal framework for the money to come to the country and support the Budget.

So, in short, hon. Temporary Deputy Speaker, what I am saying is that if these amendments do not see the light of the day in terms of being approved by this House, then we are saying our approved Budget will automatically register a deficit of Kshs130 billion. We will then have either to think of another alternative source of that money or reduce the budget on some of the programmes which had been budgeted for.

Hon. Temporary Deputy Speaker, I am sure none of us Kenyans is willing to see our prioritised projects and programmes not being implemented this year and being pushed forward, because we cannot float a sovereign bond and then get the money from out there. In addition, changing or amending this law is also very important to this country. This is because one of the advantages we are likely to enjoy, as a country, from engaging in external borrowing will be higher credit worthiness or credit rating of the country will improve. What that does is that, as a country, you are able to attract funding from outside at low interest rate because your rating is better compared to other countries. So, I think, as a country, we need to take this opportunity and amend this law so that we enjoy an improvement in our credit rating.

Hon. Temporary Deputy Speaker, even as I talk of these amendments and as I support them, I think, as a country, we need to be a bit more serious than we are. We actually approved this Budget last year. We have only two months to the end of the financial year and these amendments have been brought to this House to be approved. As I give this contribution, I am asking myself: If we approve these amendments next week, how much more time will we have to get this bond through, get the money and implement the projects?

Hon. Temporary Deputy Speaker, I get very surprised when we read in the newspapers that the Opposition is asleep. I am saying that if, as the Opposition, say the timing of this is wrong and it should have been brought here in January or December, so that we got it right, I think we will have done our work. It is to point out the gaps and it is for the Government to come up and make sure that these things do not happen. So, I get very amazed when I read in the newspapers that the Opposition is asleep, or we are not doing our work.

Hon. Temporary Deputy Speaker, what I am saying is that we will keep on pointing out these things; it is the work of the Jubilee Government to make sure that we get the timings right. I think in terms of timing, we are getting it wrong. Even if we approve these amendments, we are not likely to be in good time to get this money to come to this country; this is why we would want to propose that in future if there will be need to amend this Act, then it will be very important that we get the timing right. This is because we, as the Budget and Appropriations Committee, are even thinking of amending more of this Act because there are other areas which require to be amended as the Chair of the Departmental Committee on Finance, Planning and Trade has said. However, we said because of this particular bond, let us restrict the amendments to the particular areas, so that we get the money into this country; but I doubt whether we will be able to achieve that.

I want to support what hon. Mbadi has said, that the issue of direct payment to a supplier is a dangerous move and we need to get it right. Imagine a situation where you get money moving from China to a supplier in Germany and the only thing which comes to Kenya is records to show that it has been paid. Then how do we account to Kenyans in terms of this money? I think we cannot accept that kind of arrangement; that is something which must be changed, so that we get it right. This is because it is very clear in the law that all monies to this country must go to the Consolidated Fund and from it payments can be made.

Hon. Temporary Deputy Speaker, I want to say that this is important and urge hon. Members to make sure that we pass these amendments as soon as possible, so that the financial year does not close before we get this money and then we are not able to deliver services to Kenyans as was promised to them when the Budget was approved.

With those remarks, I support the amendments. Thank you very much.

The Temporary Deputy Speaker (Hon. Cheboi): Let us have the Member for North Imenti.

Hon. Dawood: Thank you, hon. Temporary Deputy Speaker. From the outset I am supporting this Bill and I would like to just point out to the hon. Member who has just spoken that there is no Opposition in this House. It is just a different coalition.

I would like to support this Bill, so that we can borrow money externally. I would as well like to see a few changes at a later stage.

We need to change the Budget Policy Statement (BPS) which is brought here on the 15th of February every year and we are given 14 days to bring it back to Parliament and again another 30 days. I think the time is not enough. We need to look at it and increase the time to a month or two, so that we can sort out issues well.

Hon. Temporary Deputy Speaker, the other thing I would like to talk about is Clause 3(c) of the Bill where it says:-

"(7) The Cabinet Secretary shall ensure that the proceeds of any loan raised under this Act are—

(c) disbursed directly to suppliers where the loan is raised for the purposes of financing goods and services provided by a supplier outside Kenya."

I think that one will be prone to abuse which should not be the case. It should just be paid into the Consolidated Fund. The money should first get into the country and then get out. Section 3(d) says that fees, commissions and other charges will be charged on the loans which we will be getting.

I think they need to be charged separately so that we deal with what we are borrowing separately and the fees and charges be separate.

Hon. Temporary Deputy Speaker, Clause 4 proposes to remove purchases from the entity that borrowed. I think purchases should not be removed because we do not want to purchase ourselves; it removes purchases and gives a free hand in a way which leaves us unprotected. It goes on to say that an agreement to obtain a loan by a national Government entity maybe amended from time to time. I think what is said is duplicated or negated by what is there.

The other thing is that we need the sovereign bond very much, so that we do not crowd the domestic market. What happens is that when there is not enough money the Government needs to borrow; if it borrows locally the interest rates go up. It crowds out entrepreneurs who want to borrow money and the interest rates go up and nobody benefits. This is because when people borrow from overseas they pay two to three per cent, whereas our entrepreneurs in Kenya pay up to 25 per cent interest.

I am glad that the Deputy President has taken it up and said that banks should reduce interest rates. I remember when we were with the International Monetary Fund (IMF) Director, Ms. Lagarde, at County Hall, I mentioned that we needed to reduce

interest rates and cap them. However, they were not ready to listen to that and one of the local representatives of the IMF said:

“No, you should come and see me because I do not think we need to reduce interest rates or we curtail the bank operations.”

I think that is not the right way to go. We need to put the banks on the spot. We need to say that this thing should stop. The exploitation of Kenyan citizens has to stop and the difference between deposit and lending rates should be at a minimum of four per cent. Right now the difference is more than 16 per cent. Sometimes, it even goes to 20 per cent.

We need, as a country, to come up with ways of reducing interest rates, even if it is reintroducing the Donde Bill, which was killed by previous parliaments. We need to come up with something similar; I believe the Deputy President has established a committee; I hope we get that committee to bring a report to Parliament. I am asking even the Chairman of the Departmental Committee on Finance, Planning and Trade to look at this, so that we can bring interest rates down.

Hon. Langat: On a point of information, hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. Cheboi): Hon. Dawood, do you need any information?

Hon. Dawood: No; okay, I will accept the information from my Chairman.

The Temporary Deputy Speaker (Hon. Cheboi): You have to make up your mind. You had said that you did not want the information.

Hon. Dawood: I will accept the information from my Chairman. I thought it was a point of order.

The Temporary Deputy Speaker (Hon. Cheboi): You know you have no choice on issues of points of order; anyway let us hear from the Chairman if he has real information that he wants to share with his colleague.

Hon. Langat: Hon. Temporary Deputy Speaker, I want to inform the hon. Members--- He should be aware because he is a Member of my Committee that as a Committee, on the issue of interest rates, we have identified a number of topics which we need to address in the next six months. Interest rates are one of the topics that we want to address. We want to see how to reduce them from the current level of 20 per cent to below 10 per cent. I want to inform him that, as a Committee, we are addressing that issue very seriously.

The Temporary Deputy Speaker (Hon. Cheboi): You should be winding up now because your Chair has taken a lot of time.

Hon. Dawood: Hon. Temporary Deputy Speaker, I hope we will address this issue before the end of this Parliament, so that our people do not suffer as if they borrow from shylocks; banks are like shylocks at the moment. If we get it below double digit rate, I will be all the more happy and this will make our country go forward.

With those few remarks, I would like to support this Bill, but with amendments.

Hon. Omondi: Hon. Temporary Deputy Speaker, I also stand to support this amendment to the Public Finance Management (PFM) Act. I support this amendment to the extent that it will allow our country to start participating in the international capital markets. I want to observe that this is an exercise that should have taken place a long time ago since Kenya has enjoyed a lot of long-term peace. We should have gone into the

international capital markets and taken credit for the peace that this country has had for a very long time. However, it is not late because, as the country showed in the 2007/2008-- - When we had a lot of problems, we quickly sorted out ourselves and we are still an island of peace. This is what will inform the rate that will be offered on the sovereign bond. It is difficult anywhere in the world to have a country develop from short-term or medium-term bank loans. It has never happened anywhere in the world. I think this is a move in the right direction, and it should be encouraged. It is true that we could not move into the market and borrow money without the amendment to this Bill. The Mover of this Bill has seen very far. It will enable us move into international capital markets.

The other thing is that most lenders look for track record and the more we delay in taking this step, the more we fail to have any track record that will help us borrow cheaply in future. So, this should be the beginning and it is important that other private investors, other than our Government, should go into the international capital market because we cannot build our roads. We cannot build our factories without long-term loans. It is true all over the world that at the moment there is a lot of international capital moving into various regions and sooner or later, if we enter into this market and prove ourselves, who knows Nairobi in Kenya can become an international capital market for this region.

With those few remarks, I beg to support this amendment.

The Temporary Deputy Speaker (Hon. Cheboi): For hon. Members who have been approaching the Chair, I will put forward a few numbers. It will be hon. Gikaria, hon. Njenga and hon. (Eng.) Gumbo. They are leading on the list, but I am discouraging hon. Members from coming to the Chair.

Hon. Gikaria: Hon. Temporary Deputy Speaker, if you also have a screen here, it can show somebody and their time.

The Temporary Deputy Speaker (Hon. Cheboi): I want to completely remove you from the record.

Hon. Gikaria: Hon. Temporary Deputy Speaker, I take this opportunity to support the PFM (amendment) Act as regards issues to do with a sovereign bond. I also want to thank the Chairman of the Departmental Committee on Finance, Planning and Trade. This goes a long way in showing how the Government is caring for its people. This Government is law abiding. They want to follow the due process of the law, and that is why these amendments have been brought here; this was done after realizing that the Government cannot continue without them. This Government is also confident. It is very sure of itself; nobody will want to go and place himself in this situation if he knows that he is not going to be attractive, or if he knows he is not strong enough to compete with other economies. At one time within the Municipal Council of Nakuru, we tried to float bonds but nobody wanted to get them because they were not very sure that we were strong enough financially to float the bonds.

Something has already been said about the interest rates but the Government cares for its citizens. We wanted to bring back the Donde Bill, but with this kind of an amendment, I want to believe that it can be shelved; the Government can borrow externally and leave internal borrowing to the common *mwana* and local business people.

Under the Budget Policy Statement (BPS) of 2013, it was projected, as hon. A.B. Duale indicated, that Kshs130 billion was needed. We have also been told that by the coming month we will have a debt of Kshs52 billion. If these amendments go through, then Government will actualize what we passed under the BPS, so that we can repay part of the debt and, by extension, do business with other countries.

Recently, there was an amendment that was supposed to be brought to the Floor of the House to reduce the percentage that the Non-Governmental Organizations (NGOs) are going to get. With the input of NGOs, which have assisted this country to greater heights, this amendment will also actualize the partnership with other countries and development partners who would want to come and partner with this country to enhance development in the country.

Lastly, it is about the legal framework. The Government cannot do anything without these amendments, which I support wholeheartedly.

Thank you, hon. Temporary Deputy Speaker.

Hon. (Eng. Gumbo): Thank you, hon. Speaker. I rise to support the Public Finance Management (Amendment) Bill. As I support this Bill, I want to say that it has been reported that those who work with hammers have the habit of seeing nails in every problem.

The story of our country will always be that of missed opportunities. That dates back to the beginning of last 50 years of our Independence. As we seek funds from outside, it will be important that they are applied to development projects with strict adherence to Chapter 12 of our Constitution. In particular, we should deal with observation of the limits of public debt, equitable allocation of revenue and lightening the burden of public debt on all Kenyans and equitable sharing of burdens and benefits of public debt between present and future generation. It is also important that all funds borrowed, whether from sovereign bonds or from whatever source, shall be used in a prudent and responsible manner.

What this means is that, as a country, if we look at the principle of prudence and responsibility, we have to do a re-examination; an example is some of the projects that we are undertaking. I have in mind the LAPSET and the standard gauge railway line projects. Can we say authoritatively that the way these projects have been undertaken adheres to the principle of prudence and responsibility? My fear is that, that may not be so. Of course, the problem that we are called upon to address at all times must always be responsible management of financial resources of whichever nature.

(Loud consultations)

Hon. Temporary Deputy Speaker, could you protect me from---

The Temporary Deputy Speaker (Hon. Cheboi): Order, hon. Member! Just give the hon. Member an opportunity to contribute.

Hon. (Eng.) Gumbo: Hon. Temporary Deputy Speaker, responsible management of all our financial resources, whether domestic or external, will necessarily require that we design an ambitious way of fiscal reporting. This has been a problem because the way we deploy our resources has always shown a total lack of clarity when it comes to fiscal reporting.

My view is that our country will develop faster if we remove barriers to accessing credit. All the countries that have developed--- One of the countries that is used as a model in the world shall always be Singapore. If you look at the Singapore model, you will find that they did that by making credit accessible to most Singaporeans.

I also think that time has come when Kenya must seriously think about establishing and creating a financial centre of repute here in Nairobi. Of course, that would necessarily mean fundamental re-organisation of the Nairobi Stock Exchange and re-looking at our domestic bond market and the money market in general.

Lastly, it is about the legal framework; without this amendment, the Government cannot do anything. We support the domestic bond markets and money markets in general.

It is a known fact that Financial centres world over actually thrive on the very simple principle of differences in time zones. If there is one genius in the world who is still alive today, and who utilizes that principle in terms of governance, it is the founding Prime Minister of Singapore, a man I respect highly, Mr. Lee Kuan Yew. Just by placing Singapore between New York, London, Frankfurt, Zurich, and noting the time differences, Lee Kuan Yew, working with devoted Singaporeans created one of the strongest financial centres in the world. I think Nairobi's geographical location is a natural magnet to establishing a financial centre of repute.

Having said that, all these things will not come to anything if, at the end of the day, the money borrowed will not tackle problems that are truly currently affecting the people of Kenya. What are the real problems that we face today? The problems that we face today are youth unemployment, insecurity, food insecurity, high cost of living, unaffordable healthcare, unaffordable quality education, lack of water and electricity for all, and one indivisible and equitable nation. If we can tackle these problems, I believe that Kenya will be on its way to achieving what we envisage in vision 2030, and, maybe, do so earlier than the year 2030.

Hon. Temporary Deputy Speaker, if we borrow and misapply resources, I think we will be going back to the same problems that have plagued our country for a long time. This is because ultimately whatever we borrow must be aimed at achieving a fair, but not a welfare society in Kenya. When you aim to achieve a welfare society, you basically look at entitlement. When you aim to create a fair society you look at the convergence of the entitlement plus effort. Effort and entitlement will only converge if every Kenyan truly has a sense of belonging; if every Kenyan truly believes that they have a stake in the future of their country.

With those remarks, I support.

Hon. Njenga: Thank you, hon. Temporary Deputy Speaker. I rise to support these amendments. First, the amendments bring in a lot of clarity and simplicity to the PFM Act which gives accountability a chance. This is shown by distinguishing between securities that are from the national Government and external securities.

Hon. Temporary Deputy Speaker, today I woke up a very disappointed person as I found the media reporting that the Anglo-Leasing compensation, which the country is supposed to pay, is Kshs125 billion. I know very well that the amount at stake was about US\$14 million, which will translate to about Kshs1.4 billion. Kenyans have been misled. Earlier before these things were done, issues of accountability, clarity and simplicity were

not addressed by legislation. The proposed law will address the anomalies that have been facing our country.

Most importantly, the smoothening and action, if implemented, would have a positive interface with the liquidity of this country. Borrowing Kshs13 billion worth of bonds to settle a Kshs65 billion debt or thereabout leaves us with an exposure to a further Kshs165 billion. If this money comes to the economy, it will give exposure to money that is available for borrowing by businessmen. If you remember the simple law of demand and supply, the supply of the money that is available for borrowing by our people, especially businessmen and farmers will reduce the cost. Once the supply is higher, it will reduce the cost of funds. When the cost of funds is reduced, we expect that our businessmen and farmers will borrow money cheaply. If money is borrowed cheaply and it is in adequate supply, banks will also be forced to also reduce interest rates, thus raising supply much higher.

This cheap money will increase the profits of our people. When profits increase, the benefits are immense. We have been talking about the Value Added Tax (Amendment) Bill; we have just passed it and as we improve the purchasing power of our people, we are going to increase the amount of money that we can raise through the VAT. Even Corporation Tax will increase money. Once this is done, people will be able to borrow a little money and do business and things like crime will also come down.

I have just come from a global partnership high level meeting in Mexico City; despite the earthquake that found me there, I can tell you that the countries of the world numbering 169 want to rely on local funding to their people instead of foreign funding. So, when such money comes here, it will also make the local money available to our people. This will also help the country from a macro perspective, in that instead of borrowing from the local people, they will also borrow from outside there and leave that exposure to us. This will also make us competitive.

In the African region, especially the East African region, there is a lot of competitiveness that is coming. If you look at Uganda, Tanzania, Rwanda and even Burundi when doing business with us, they have some advantages over us. For example, in Uganda, electricity should be cheaper than in Kenya. But with funds and having been ahead, we will be in a position to compete with such people, increase employment and raise the economic standards of our people.

This is an important move. Such actions relocate resources to better sectors of our economy. That is an advantage that can be derived by improving the Public Finance Management Act through this amendment. If this is done and resources are relocated to where they should be, we shall attain our dream of Vision 2030 easier and much faster. Then the double digit economic growth dream will be attained.

I would like legislation to be brought to the Floor of this House to smoothen things that will enable our people do business smoothly and make Kenya a better place to live in socially and economically. I support this and think that the Public Finance Management Act has many other loopholes that require to be sealed. The Chairman should bring proposals to the House, so that we can improve on it.

I support.

Hon. Bunyasi: Thank you, hon. Temporary Deputy Speaker for giving me this opportunity. I am generally in favour of the Kenyan Government entering the

international money market, and I think this is a positive step. It has advantages compared to the domestic market, as it was mentioned. One of the advantages is that it requires a country to have a certain behaviour in the way it manages its commercial risks domestically and externally. It will mean that it will be reported how we handle our commercial partners both here and outside as we establish our credibility.

That is a side benefit that will enhance the way we deal with partners. For example, you know the challenge we are now facing with Anglo Leasing. Much as the mood is that we should not be honouring debts that are borne out of corrupt deals, if we are going to the international market, we will not be able to proceed without clearing one or other obligation in a way that is satisfactory.

Hon. Temporary Deputy Speaker, I think there are two separate things I would like to tackle. One, we talk about changing the law to enable us to play in this international game. That is quite different from the merits or demerits of the international sovereign bond we are trying to float. Let us not mix the two. I know there is pressure because we need the law to be in place to be able to go to the market and raise the money that we need.

Two, I think we should clarify that interest rates are not just high because of Government borrowing. It makes it worse but it is not the only cause. There are very many other causes. A lot of them are domestic also. So, we need to address them.

As our Chairman said, when the time comes and we begin dealing with interest rates through some committees of this House we shall go to the bottom of it. There are very many other issues to which the domestic Government borrowing is a contributor, but we do not even know whether it is a major contributor to the interest rates. Clearly, if the Government was borrowing less it would reduce pressure; but even if it borrowed zero it does not mean that interest rates would fall to levels that are comparable to those of New York and other places. Secondly, of course, if you compare interest rates here and those outside the country you should look also at currency risks which contribute to problems as well.

I think that the Government could use this opportunity as it begins to open this window to allow us to be players in the international sovereign bond market. It should also look at its own external debt management strategy, which relates to the commercial transactions, Government to Government arrangements and Government and international markets. This is so that we can harmonise this, synthesise it and be sure that we know what is happening both as the Government, or its entities can borrow. When we have contingent liabilities incurred by institutions based in Kenya, the reputation of the Government could be put to risk. I think as we go forward looking at the specific amendments, we should broaden our picture to see that this is put in place at this moment.

Turning now to the issue of this sovereign bond that is going to be floated and for which we need these laws to be in place for it to take place, I cannot buy the story that we are going to go to the international market, borrow Kshs130 billion and you want to come back and retire Kshs52 billion out of it. I do not think that, that is really a credible argument. However, I think that we need to close the financing gap by this international borrowing of Kshs130 billion. Let it be used one way or another. I can take this statement to the bank and you can check six months later and ask how it was used. This

is because that is not how a government allocates resources at a time of tightness as is now.

Hon. Temporary Deputy Speaker, the fact that we are now joining leagues would indicate that we are seeking to mature our systems, so that we can also be at par with, or be within the band with other players. That is a very positive thing for Kenya.

Lastly, in respect of this particular bond, and that is not the topic of discussion right now but it is related, we hope we will disengage the issue of meeting obligations that we should have met before, if people had done their homework and come out truthfully with the timing of our sovereign bond. Unfortunately, it is coming at a time when it does not appear that this House is white washing - if I may use such an expression - some dirty deals that had gone on earlier in order to be able to clean them out, hopefully, and then go forward with the issuance of the bond. There are very many major issues here. They are not related.

Unfortunately, they are related because of the timing of the issuance of the sovereign bond that is coming, and I think that is a matter that I hope this House will get a chance to look at. Specifically, I am referring not only to one set of deal; there are many others like the Anglo Leasing deals. It is not US\$14 million as somebody was saying; it is much bigger and I know that negotiators have done a good job. We have a serious issue about how we stand; we put taxpayers' money at risk at a time when we know clearly who did it and who was responsible for the corrupt deals. They are still flying around in helicopters and planes, driving big cars and even trying new games as we have seen in the newspapers. Here we are saying we can pay off that because we have a sovereign bond coming. We need sovereign bonds but the timing here is an issue we should look at; we can deal with that when we come to it.

Hon. Temporary Deputy Speaker, I think as my Chairman said, in respect of the specific amendments at the Committee Stage, there will be many elements that we will bring in just to deal with structural aspects of the proposal.

With those few remarks, I support the amendments to this Bill.

Hon. Bitok: Hon. Temporary Deputy Speaker, thank you for giving me this opportunity to contribute to this amendment to the Public Finance Management (PFM) Bill. I consider it an opportunity for this country to be able to source funds to assist in its development. It has been a bit tricky and difficult to enhance development given that sources of funds and the capital markets have not been developed to a level which can allow other sources, especially external, to be incorporated into our financial system. It is true that our country is lagging behind in terms of infrastructure and other development aspects. Allowing the sovereign bond to be floated outside this country will allow our citizenry and the country to finance their activities.

We realize that funds are scarce and the governance structure of our country at the moment requires a lot of capital inflow so as to assist in alleviating scarcity of funds. The growth of domestic capital markets is hindered by the way we handle the borrowing; the Government borrows the lion's share of domestic market resources and starves local market. It denies it resources that could be used to develop the economy. I support this innovative idea; given that the world is a global village of some sort, it will give us a leeway to ensure that our people and the Government act in way that will allow development.

I, therefore, support this Bill.

The Temporary Deputy Speaker (Hon. Cheboi): Hon. Nyamweya, I must warn you that you have just about a minute and, therefore, you will have your time when debate resumes; you must be there when the debate resumes. You should not come in the middle of debate and demand your time. That has been the practice.

Hon. Nyamweya: Hon. Temporary Deputy Speaker, thank you for giving me this chance to talk on this Bill. From the outset, I want to say that I oppose it and with very good reasons. The first point is that as a nation we need a policy framework on foreign borrowing. We need rules and regulations to guide this nation on how we should borrow.

Hon. Angatia: On a point of order, hon. Temporary Deputy Speaker. The hon. Member on the Floor is taking us behind because this is the framework that we are discussing; we are on foreign borrowing and policy.

The Temporary Deputy Speaker (Hon. Cheboi): Hon. Savula, I think your colleague has a right to an opinion. He can oppose and that is why---

Hon. Nyamweya: Hon. Temporary Deputy Speaker, I think the hon. Member does not understand what I am talking about; I forgive him for interfering when I am contributing.

What I am saying is that we need rules and regulations on how---

The Temporary Deputy Speaker (Hon. Cheboi): Order! That interference marks the end of your contribution for today, but you will have your remaining time on Tuesday, if you will be available.

Before I adjourn the House, I have to notify hon. Members that this afternoon you made a decision that you are going to sit on Tuesday morning; that was a decision by this House. It is very critical that you be available for work on Tuesday.

ADJOURNMENT

The Temporary Deputy Speaker (Hon. Cheboi): Hon. Members, I now adjourn this House because it is 6.30 p.m. We have come to the end of today's sitting. The House is, therefore, adjourned until Tuesday, 29th April, 2014, at 9.00 a.m.

The House rose at 6.30 p.m.