

NATIONAL ASSEMBLY

OFFICIAL REPORT

Thursday, 26th February, 2015

The House met at 2.30 p.m.

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

PRAYERS

Hon. Speaker: Before we start, I want to establish whether we have a quorum. Do we? There are 51 Members. Okay, let us proceed.

PAPERS LAID

Hon. A. B. Duale: Thank you, hon. Speaker. I beg to lay the following Papers on the Table of the House:-

The Report of the Auditor-General on the Financial Statements of the Kenya Accreditation Service for the year ended 30th June, 2014, and the certificate of the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Brand Kenya Board for the year ended 30th June, 2014, and the certificate of the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Industrial Commercial and Development Corporation for the year ended 30th June, 2014, and the certificate of the Auditor-General therein.

The Report of the Auditor-General on the Financial statements of the Anti-Counterfeit Agency for the year ended 30th June, 2014, and the certificate of the Auditor-General therein.

The Report of the Auditor-General on the Financial Statements of the Kenya National Commission on Human Rights for the year ended 30th June, 2014, and the certificate of the Auditor-General therein.

NOTICE OF MOTION

REPORTS OF KENYAN DELEGATIONS TO IPU ASSEMBLIES

Hon. Kabando wa Kabando: Hon. Speaker. I beg to give notice of the following Motion:-

THAT, this House adopts the Report of the Kenyan Delegations to the 131st, 130th and 129th Assemblies of the Inter-Parliamentary Union (IPU) and related meetings held in Geneva, Switzerland from 12th to 16th October, 2014, 16th to 20th

March, 2014 and 7th to 9th October, 2013 respectively, laid on the Table of the House on Thursday, 4th December, 2014.

STATEMENTS

BUSINESS FOR THE WEEK COMMENCING 3RD TO 5TH MARCH, 2015

Hon. A. B. Duale: Hon. Speaker, pursuant to the Standing Order No.44(2)(a), on behalf of the House Business Committee, I rise to give the following Statement regarding the business to appear before the House the week beginning Tuesday, 3rd March, 2015.

On Tuesday, the first item to be considered will be a Motion of the reconstitution of the Committee on Privileges, which is a Sessional Committee. In this regard, the Committee on Selection will be meeting on Monday afternoon to consider the nomination. Thereafter, the House will consider three Reports of the Public Accounts Committee for the Financial Years 2010/2011, 2011/2012 and 2012/2013. The House Business Committee has taken a conscious decision to also schedule for consideration Senate Bills, most of which have been pending for sometime in the House.

In this regard, priority has been accorded to two Senate Bills both of which are amending the County Governments Act. Should we conclude with those Bills, then we will consider the National Honours (Amendment) Bill, 2014, which also originates from the Senate.

Hon. Speaker, the House Business Committee is of the view that on Wednesday morning, priority will be accorded to the following Private Members' Bills:

1. The Children (Amendment) Bill, 2014;
2. The Persons with Disabilities (Amendment) Bill, 2013;
3. The Retirement Benefits (Deputy President and Designated State Officers) Bill 2013.

However, consideration of the Persons with Disabilities (Amendment) Bill, 2013 and the Retirement Benefits (Deputy President and Designated State Officers) Bill, 2013 is subject to availability of written recommendations from the Budget and Appropriations Committee on the amendments proposed to those Bills.

Hon. Speaker, through you, may I take this opportunity to urge hon. Members with proposed amendments to the said Bills to hand them over to the Office of the Clerk in good time as they have to be put on the Order Paper?

Also lined up for consideration by the House in a Committee of the whole House and subsequently Third Reading, next week, is the Public Audit Bill, 2014. This is one of the Bills with a constitutional timeline, which we extended to 27th May, 2015.

Hon. Speaker, it is also expected that next week the Report of Joint Departmental Committee on Administration and National Security and the Standing Committee on Foreign Relations of the Senate regarding the vetting of the Inspector-General of the Police nominee will be tabled for consideration by the House, in keeping with the timelines stipulated under the Public Appointments (Parliamentary Approval) Act, 2011.

Regarding the Cabinet Secretaries appearing before the committees on Tuesday, 3rd March, 2015, the schedule is as follows:-

1. The Cabinet Secretary for Interior and Co-ordination of National Government will appear at 10.00 a.m. before the Committee on Administration and National Security to answer Questions from hon. Nasra Ibrahim MP; hon. George Peter Kaluma, MP; and hon. Annah Gathecha, MP.
2. The Cabinet Secretary for National Treasury will appear at 10.00 a.m. before the Departmental Committee on Finance, Planning and Trade to answer Questions from hon. Chachu Ganya, MP, and hon. Rachel Ameso, MP.
3. The Cabinet Secretary for Sports, Culture and Arts will appear at 11.00 a.m. before the Departmental Committee on Labour and Social Welfare to answer questions regarding the wrangles in the national management of soccer, among other questions.

Finally, the House Business Committee will meet on Tuesday, 3rd March, 2015 at the rise of the House to consider business for the rest of the week.

Hon. Speaker, I hereby table the Statement.

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

Hon. Speaker, on the same note, I want to inform all the Chairs of Committees, Members of the House Business Committee, the leadership of the House and the Whips, who are also part of the leadership of this House, that tomorrow morning, the leadership retreat will start at Serena Beach Hotel. Please, make sure that you are there. I am sure that there are no committee retreats. Finally, the Serjeant-At-Arms will provide the venues for the committee meetings with the Cabinet Secretaries on Tuesday. So, the Serjeant-At-Arms will show you where the three Cabinet Secretaries will meet the respective committees.

Thank you.

Hon. Speaker: I can see that hon. Musyimi is agitated but before you say something, I hope you heard that there are two Bills which are to be considered in Committee of the whole House on Wednesday next week in the morning. One has to do with persons with disabilities. I think there were some issues raised there, which required your input. You should move with speed, so that you do not hold back the entire House.

The Mover of the other one is now available. It is only that he was not listening. He was discussing other issues. The hon. Member for Suba is the Mover of that Bill. He was not listening but because I know he is a Member of the Budget and Appropriations Committee, please, help us to dispose of these Bills. They have been pending for too long.

Hon. Members, you recall that we indicated last week that we should clear about four Bills. However, all the four the Clerk's Office indicated were taken out by the House Business Committee at the request of hon. Members. The only one that found its way---

There can never be a point of order when the Chair is giving a communication. Where did you come from? However agitated you may pretend to be, it does not matter.

Even the one that saw its way into the House, the Mover, hon. Lekuton, again withdrew it. Hon. Members, I am saying this because some of you still come to my office to claim that your Bills have been pending in Committee of the whole House for very long. When Bills are being prioritised you move around and start saying you want to

withdraw them because you are not ready. Those are Bills whose debate in Second Reading ended before we went on recess. What can be the reason that you have not received amendments? There must be a way. If you are not ready, we will have to ask the House to express itself in one way or another. We cannot have a Private Member's Bill lined up for debate and the Member failing to be ready three months down the road. I am making this communication so that at least you also take your work seriously. We are determined to make sure that all the Bills awaiting consideration in Committee of the whole House should be finalised within the shortest time possible, of course, alongside those other Bills which have constitutional timelines. I saw many of you were not paying attention.

The Public Audit Bill is again proposed to come up for consideration by a Committee of the whole House next week. Please, hon. Members, if you have amendments which you wish to propose, submit them to the Office of the Clerk, so that they can be included in the Order Paper.

Hon. Musyimi, you wanted to say something.

Hon. Musyimi: Hon. Speaker, I am much obliged. I am not agitated. I am just glad to catch your eye.

I consulted with you privately yesterday, given the very tight timelines. You allowed me to make an announcement today because this morning we lost time which we would have given to committees of the House to report to the Budget and Appropriations Committee. Allow me to make three comments.

With respect to Bills that are committed to my Committee, I want to tell you that as at the time we went for recess, we had cleared all of them. For other Bills that have come to us subsequent to that time, priority will have to be given to the Budget process. I am afraid there is not much we can do next week. So, we shall deal with our Bills after next week for very obvious reasons. That said, and with respect to the Budget making process, through you, can I request all Chairs of Committees to please give their reports to the Parliamentary Budget Office at Protection House latest tomorrow, Friday, February 27th at 1.00 pm?

Hon. Speaker: Hon. Mutava Musyimi, could you repeat that, because I do not know whether Members understand that we are in the Budget making process? Chairs of the Committees, the responsibility may be on you. However, these Chairs of course meet with these Committees. The announcement by the hon. Mutava Musyimi is very important to all of us. Hon. Musyimi, you are saying they give their reports before when?

Hon. Musyimi: Thank you, hon. Speaker. Let me repeat. Could the Chairs of the various Committees, please, give their duly signed reports to the Parliamentary Budget Office latest 1.00 p.m. tomorrow at Protection House? I think you know where the office is.

Secondly, the program that we shall use to take views from the various committees, in the interest of clarification, is as follows. On Monday we will start with the Environment and Natural Resources Committee at 9.00 a.m. Then Finance, Planning and Trade will be at 9.30 a.m. Committee on Energy, Information and Communications will be at 10.00 a.m. Transport, Housing and Public Works at 10.30 a.m. Agriculture, Livestock and Co-operatives is from 11.00 a.m. to 11.30a.m. Administrative and National

Security from 11.30 a.m. to 12.00 p.m. Lands Committee 12.00 p.m. to 12.30 p.m. Justice and Legal Affairs Committee will be from 12.30 p.m. to 1.00 p.m.

In the afternoon: 2.00-2.30 p.m., Defence and Foreign Relations. 2.30-3.00 p.m. Education, Research and Technology 3.00-3.30 p.m., Health and we finish 3.30-4.00 p.m. with Labour and Social Welfare.

I really hope that the Chairs or Vice Chairs of Committees will come. If the Chair cannot come for whatever reason, it is crucial that the Vice Chair comes; but it is better if both of them are there, so that we can get any clarifications that we may require. It is crucial and Members need to know, because once we set the ceilings through the Budget Policy Statement (BPS), it is going to be very difficult to amend those ceilings when we come to appropriate the various funds for the different spending agencies.

Thank you, hon. Speaker.

(Loud consultations)

Hon. Speaker: I hope that information about those sitting times and hours are clear to all the Committees. This is because consultations are so loud that I wonder what could be more important than the announcements being made by the hon. Mutava Musyimi.

If the listed Committees fail to appear at the given times, they will not find favour with me in coming to plead for more time. Listening to what hon. Mutava Musyimi has announced, you can see that his Committee has committed itself to sit for so many hours in order to listen to presentations from each Committee. It is, therefore, fair that every Committee, particularly the Committee on Environment and Natural Resources, led by hon. Amina Abdalla, that is to start sticks to the times given. This is because if the first one starts late, the spiral effect will affect all the others. Members of that Committee must be hovering around where they will be meeting by 8.45 a.m ready to make their presentations, so that others can follow suit consequentially.

Yes, Leader of the Majority Party.

Hon. A.B. Duale: Hon. Speaker, two weeks ago you gave directions on a Report which was supposed to be tabled by the Departmental Committee on Agriculture, Livestock and Co-operatives on Mumias Sugar Company (MSC). Today we are dealing with the issue of privatisation of those sugar companies but the Report is not yet here.

Hon. Speaker, this Committee has stayed with this Report for more than eight months. They have the Klynveld Peat Marwick Goerdeler (KPMG) forensic audit. They owe the people of Mumias and sugar growers in this country an answer. Twenty per cent of the people of Kenya are sugar cane farmers. In fact, the 20 per cent is 6 million people to be more specific.

I want you to use your discretion and ask that Committee, the Chair, the Vice Chair or the Committee Members what is going on. We need to clear and respect the integrity of Parliament. Why should the Report of Committee take eight months when MSC has gone down and the people who took it down are known? This is unless somebody somewhere is protecting some very big fish of the political class of this country.

We want to know what has happened to the Report that should have been tabled within two weeks. I am sure the Chairman of that Committee can tell us where that Report is, who is keeping it and the reasons why they are keeping it. They will have to convince this House because we cannot stay for another eight months without the Report.

(Loud consultations)

Hon. Speaker: Order, Members. Those of you who may be excited about certain things, please, express your excitement in low tones or by body language and without opening your mouths too loudly.

Indeed, the hon. Leader of the Majority Party, the Petition regarding that matter came to this House in the year 2013. I have noticed a trend that the Chair of that Committee normally shows up from the hour of 4.00 p.m. onwards. Despite the fact that I have absolutely nothing against the Chair, does that Committee not have a Vice Chair? It is hon. Kareke Mbiuki. Does he come to Parliament? Are there members of that Committee here? The hon. Opiyo Wandayi, hon. John Serut, hon. Simba Arati and hon. Justice Kemei!

(Loud consultations)

Surely, hon. Members, you belong to that Committee and you owe it to your colleagues, and to the House, as a whole. Please favour the House with a Report. Otherwise, I think the Committee on Selection, which has the hon. Leader of the Majority Party and the hon. Leader of the Minority as Chairman and Member of the Committee respectively, should reconstitute that Committee if we cannot get that Report in the next one week. Alternatively, the Committee members should themselves take action in the best way they know how.

Hon. Opiyo Wandayi, what do you want to say about that particular issue?

Hon. Wandayi: Thank you, hon. Speaker. For the first time I must say that I am in agreement with hon. A.B. Duale. The Committee on Agriculture where I sit has for sure let down this House.

The MSC matter, just like the sugar matter in general, is one that concerns millions of Kenyans, more so in the Western Kenya belt. As we speak, the livelihoods of those Kenyans are at stake and in jeopardy. I want to undertake, on behalf of fellow Members that, within one week, we shall bring a Report here whether raw or otherwise, so that this House can deliberate on it and take decisive measures. This is because this is a classical case of corruption fighting back. This House must stand to corruption if we are to GET a way forward.

Thank you very much, hon. Speaker.

Hon. Speaker: Well, that is very bold, welcome and encouraging. I hope the rest of the membership, including Simba Arati, is with hon. Wandayi.

(Loud consultations)

I think it is fair that the House be presented with a Report. What is out of order hon. Millie?

Hon. Ng'ongo: Thank you, hon. Speaker.

Hon. Speaker: You are not Millie. Can you give her a better microphone because I am not getting her here.

(Hon. Odhiambo-Mabona walked to the Dispatch Box)

Hon. (Ms.) Odhiambo-Mabona: Thank you, hon. Speaker for indulging me.

I am a member of the Committee on Agriculture, Livestock and Cooperatives. I am glad you have raised that issue and I just want to put it on record that all the Members of the Committee are of the same view as hon. Wandayi.

The issue of delaying that Report almost brought Members of the Committee to blows. We had, however, said that for purposes of ensuring that we have a proper and credible Report, we were going to wait for a report from the auditors. Based on the report of the auditors, the Committee is going to give a very firm and decisive position on this issue.

I know the Chairman is not here but we had scheduled report writing in two weeks. I know most of the Committees are going to Mombasa today. We have two meetings, one this weekend and the other one next weekend. This weekend was meant to be fisheries and the next weekend was meant to be the sugar report because we have two sugar reports that we are writing, the Mumias sugar report and the general sugar report. Take it from us, especially those of us from the fishing community. We have complained that this has taken back our work on fisheries, because we have been on this report for ever and ever, amen. The trend is very clear; there are no two ways about it.

Thank you.

Hon. Speaker: I want to encourage all hon. Members of that Committee to treat the matter with the seriousness it deserves and appreciate that the House is not without recourse to other mechanisms, because that matter was referred to the Committee through a Petition. So we can easily discharge you of any responsibility and take over the Petition. I will exercise my power to refer that Petition to a different Committee, at least the Committees which have shown effort and produce reports when they get Petitions; it cannot be that we just talk about one Petition of 2013. Please, move with speed. I am encouraged that hon. Members from both sides of the divide appear to be keen to have this matter debated. We expect that you should be able to give us a report soonest.

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

Hon. Speaker: Hon. Ochieng, what is your point of order?

Hon. Ochieng: Thank you, hon. Speaker. You were trying to address something very important this afternoon and it passed. I had raised the flag because I wanted to say something about it. One of the major roles of this National Assembly is Budget making. For the last two years, we have rushed this process. We have gone through it as if we did not know it was going to happen. I see you have put your foot down on this report on Mumias Sugar Company, and wish that in future, you will put your foot down on the procedures for making the Budget. From where I sit in the Departmental Committee on Justice and Legal Affairs, we have been rushed. We are being given two hours to look at

seven or eight proposals of Budget. So, in future, if possible--- With due respect, can the Chairman of the Budget and Appropriations Committee and the Chairpersons of the other Committees take their work seriously and allow Committees enough time? If on a Monday you meet a Committee for 30 minutes and you wanted to do what they are doing--- We are not doing the right thing. This is one of the major roles that this Parliament plays and it should be done well. This is what I wanted to raise with you.

Thank you, very much.

Hon. Speaker: Well, I hope everybody notes that and also appreciates it. Traditionally, Monday and Friday afternoons have been used as sitting days for Committees but in the Eleventh Parliament, it appears that every hon. Member wants to disappear on Thursday evening and return here on Tuesday morning or Monday night. This is just to encourage you, as hon. Members, that you try to utilize those hours; if you did--- I am saying this because I have the records, very few Committees are utilizing Monday afternoons and very few, if any, are utilizing Friday mornings. Those are Committee sitting days. If you did, I am sure that would also have had an impact on your workload. So, alongside others that you may be suggesting, hon. Ochieng, during those hours, if Committees were to sit, they would transact a lot of other business, because they would not have the problem of having Chamber sittings. I am aware right now several Committees have applied for leave to sit at this hour. Every Committee is saying they are considering the Budget Policy Statement (BPS). I am sure the record will show that none sat on Monday afternoon or Friday morning. So this thing of you wanting to sit when the Plenary is on--- In as much as we will encourage and facilitate you, when we can--- Spend also those other days and hours; we could minimize the pressures on the Committees.

Hon. Bowen: On a point of order, hon. Speaker. Two weeks ago, hon. Wandayi sought your indulgence and also the Departmental Committee on Education, Research and Technology's on the issue of school fees. We are happy that there is a fees guideline and a policy from the Ministry of Education. We want to hear from the Chairperson of the Committee. Those parents who had paid over a Kshs.120,000 as school fees and now we have a guideline of Kshs.53,000 or Kshs.55,000, what happens now to their balance? Is it carried forward to the next term or what is going to happen? We need this point to be very clear to parents, so that come next term or the subsequent years, parents know exactly how much they are going to pay.

Hon. Speaker: I will not allow the Chairperson to even respond because this House cannot be used to resolve purely contractual obligations. The person who pays money to another has a right to understand its purpose individually. What will the Chairperson tell us? We do not know into which schools these monies have been paid. Surely, what kind of statement? Let those Kenyans who may have paid money beyond what has been recommended by the Government visit the schools and other institutions and claim their money. We are going to make Parliament become a very interesting place for enforcing contractual obligations between parties out there. Kenyans are well educated and make demands; those who have paid over and above what has been recommended--- Let us not get involved in that.

(Several members stood up in their places)

I am following a system so do not stand.

Hon. Kemei: Thank you, hon. Speaker. On the Motion we are about to discuss, I have a Petition being processed by your Office. I was seeking your indulgence on what to do. As much as I want to contribute, there are fundamental issues that I am raising in that Petition that I require the guidance of your Chair before I contribute.

Finally, I want to share the sentiments of my colleagues in the Departmental Agriculture, Livestock and Co-operatives Committee. We have been sleepwalking but we can assure you that we will do our job.

Thank you.

Hon. Speaker: Well, with regard to the Petition, the Petition may raise whatever issues but the House is now seized of the report. The debate, I am sure you remember, commenced in this very Chamber yesterday. So if there are issues that you would want to ventilate, which are raised in that Petition, as you debate this report, it is good to share them with your colleagues here. But we cannot stop the House from continuing with that debate on account merely that a Petition has come, because a Petition can be presented at whatever time and it will still be referred to the relevant Committee to look into whatever issues. Whether the issues raised in the Petition are some of those ones which are substantially the same, or whether they are saying that the report should not be adopted-- - If they are saying that report should not be adopted, then they have come too late. They also say that delay defeats equity, because the report has already been made and tabled. The House has already commenced debate on it. If they are trying, for instance, to suggest that debate should not continue, then the best you can do is to try to persuade your colleagues in one direction or the other, because the matter now belongs to the House.

(Several hon. Members stood up in their places)

You can see the system will recognise everybody; hon. Member of Suba, welcome back. **Hon. Ng'ongo:** Thank you, hon. Speaker. I know you called my constituency Gwassu but the name was changed. Everything else remains the same: the geographical area; the population - unless someone dies, or someone is born, and the Member of Parliament. I hope that the MP will remain the same.

I just wanted to express concern on two issues. The first one is with regard to what hon. Ochieng said on the Budget. Once the Budget Policy Statement is tabled in the House, or even the Budget Estimates, it is assumed that all Chairs through the Clerks will quickly get seized of those reports and act on them. The problem has been that the chairpersons of various departmental committees take time to start processing the Budget Estimates. It is not really the Chair of the Budget and Appropriations Committee, again, to tell committees to be working. So, I wanted to put that clearly because hon. Ochieng was throwing blame on the Chairman of the Budget and Appropriations Committee.

Hon. Speaker, I wanted to intervene initially with regard to your ruling and directive to committees to be bringing reports in good time. While I was away *Nation Television* (NTV), *Citizen Television*, *Kenya Television Network* (KTN) and *QTV* were switched off. I listened to your ruling that we should not bring a Motion for adjournment

here to discuss the same thing that Senators have discussed. Because this is a grave matter, the Departmental Committee on Energy, Communication and Information should have expedited this matter and brought a report to this House, so that we deal with it. We should not be taken back to the pre-1990 days when we could only watch *Kenya Broadcasting Corporation* (KBC) television. Now, we have only added *K24 Television*. I do not want to go into details about its ownership. Some of us who do not want to watch *K24 Television*, and possibly *KBC*, are completely disadvantaged. We want *Citizen Television*, *KTN*, *NTV* and *QTV* back. Hon. Speaker, could you, please, direct this Committee to bring---

Hon. Speaker: Hon. Ng'ongo, I know you have spent only seven years here in the House. A point of order is not an excuse for debate. That matter, as you said, when you were away--- You should not enjoy a benefit from wrong doing. That matter has already been dealt with. We expect the relevant committee to bring a report here. That is what we have directed. I can see that the chairman wants to respond. It is unfair that---

Hon. Members, whenever something happens in the country, Members are very quick to summon people. They tell the Clerk to write letters to this and that person with a lot of vengeance and venom. Then suddenly, things just die.

Hon. Jamleck Kamau, tell us when the report is going to be brought.

Hon. Kamau: Hon. Speaker, the committee is seized of the matter. Even this morning, we had a marathon meeting with the Media Owners Association. We expect that by the end of next week, we should be able to have a report.

Hon. Speaker, even as the report comes, it is important for us, as Members, to respect the view that, indeed, when a committee is seized of a matter, you cannot do it in one day and report to the House. We want to make sure that we go to the bottom of everything and report.

With respect to ownership of media stations, Kenyans are free to own whichever media stations they want to own. Even hon. Duale owns a station and there is nothing wrong with that. If there are people who own media stations, I do not think there should be any reason for any worries. Again, it is also not right to be talking for and be seen to be kind of defending the media. Let us be sober on this matter. Let us go to the bottom of it and make sure that we deliver a good report to this House.

Hon. Speaker: Very well. We will wait for the report. When you go to various functions that I know you like enjoying over weekends, you can say whatever you want there. However, please allow the Committee also to bring a report. We must observe decorum and appreciate that the House cannot be similar to those other fora that you may find yourself in over the weekends.

Let us go to the next Order.

MOTION

ADOPTION OF REPORT ON THE VETTING OF NOMINEES FOR APPOINTMENT TO TSC

Hon. (Ms.) S. W. Chege: Hon. Speaker, I beg to move the following Motion:-

THAT, this House adopts the Report of the Departmental Committee on Education, Research and Technology on the Vetting of Nominees for Appointment to the Teachers Service Commission laid on the Table of the House on Tuesday, 24th February,

2015, and in accordance with the provisions of Section 8 of the Teachers Service Commission Act (2012) and Standing Order No. 45, approves the appointment of the following persons as Members of the Teachers Service Commission:-

- (i) Mbarak Said Twahir (PWD);
- (ii) Kinoti Imanyara;
- (iii) Tache Bonsa Gollo;
- (iv) Beatrice Marembo Adu; and
- (v) Albert Fred Ekirapa.

Hon. Speaker, the five candidates were vetted by the Departmental Committee on Education, Research and Technology. I would like to briefly go through the curriculum vitae of these candidates. The first one is Mbarak Said Twahir, who currently works in the Ministry of Devolution. He is in charge of performance contracting. The Committee found him fit to sit in the Commission and offer his expertise on performance contracting which is one of the challenges that the Teachers Service Commission (TSC) has been facing. He satisfied on the issues that we were looking at, starting from merit and integrity. He has cleared with Higher Education Loans Board (HELB). He satisfied the Committee that he is able to do the job. He will also represent Persons with Disabilities at that level.

Mr. Kinoti Imanyara is currently the TSC County Director in Nyeri County. He is also the chairman of all the TSC directors in the counties. Looking at his qualifications, education background, his employment record, his professional affiliations and integrity record, we found him suitable for this position. The Committee recommended him also.

Mr. Tache Bonsa Gollo is one candidate whom we found very interesting. He has ventured in several areas, including trying to be a politician, in which he failed. As a Committee, he was an encouragement to us that life does not end once you become a politician. We know that his chances of coming to Parliament are very slim. So, he should also be given an opportunity to work and not be discriminated against for the fact that he tried his hand at politics. He impressed the Committee. He has a very good record. He has worked in Ewaso Nyiro and in various Government institutions. So, we also approved him to be a member of TSC.

Mrs. Beatrice Marembo Adu was a former County Director of Education in Kisumu. She is 62 years old. However, she came out as having very good experience in education. Owing to the fact that the Commission has not had members in the past three years, we also found her fit to become a member of TSC.

Mr. Albert Fred Ekirapa is the only one who comes from the Ministry of Education. He is the Senior Director in charge of Secondary and Tertiary education. Looking at his education background you realize that he has risen from a classroom teacher all the way to where he is at present.

Most of them come from the classroom and have experience in the teaching profession. They will bring sanity to the education sector. I, therefore, urge this House to support this Motion.

Once we have these commissioners, the fights that we have had between the TSC and the Ministry of Education because of lack of proper leadership and shortage of commissioners at the TSC, will end. Issues of teacher distribution and disciplinary cases of teachers that have affected teaching in our schools will be sorted out. If this House approves the nominations of these members, we anticipate to have sanity within the TSC.

I would like to ask hon. Opiyo, who is a Member of this Committee, to second this Motion. I urge this House to approve the nomination of Mr. Mbarak Said Twahir, Mr. Kinoti Manyara, Mr. Tache Bonsa Gollo, Mrs. Beatrice Marembo Adu and Mr. Albert Fred Ekirapa for appointment by His Excellency the President as members of the TSC.

I beg to move and ask hon. Opiyo to second.

Hon. Opiyo: Thank you, hon. Speaker. I rise to second this Motion. As the House may be well aware, for the last many years, the TSC has not been operating to full capacity, because of failure to have in place a certain number of commissioners. The Committee haggled over the names that were presented to it by His Excellency the President and a lot of issues came up. However, looking at the nominees the Committee was impressed. From the presentations that they made, some of them gave the impression that they are bringing freshness and new ideas into the TSC at this point in time.

The TSC has a myriad of issues to handle. They have long-standing disciplinary issues that have not been handled for years. You will remember that last time, some names were presented to Parliament. However, because the proper procedure was not followed and incompetence in some of the candidates, this House threw the names out. That resulted into the TSC operating under capacity for a long time.

There is the issue of the north eastern Kenya teachers, who have refused to go back to work. There is also the issue of shortage of staff in primary and secondary schools across the country. They have disciplinary cases that are pending. Many teachers whose cases are supposed to have been heard and re-absorbed or exposed to certain disciplinary measures are still waiting out there for the TSC to constitute disciplinary committees and handle their cases.

In future, with regard to the TSC, other commissions and organisations in this country, it will be fair and just that any time a commission is being constituted, we have one full list at a time, so that the constitutional requirements of certain sectorial interests, like people with disability, gender balance, regional and ethnic representation are looked at as a package once and for all.

Having said that, we looked at all the provisions with regard to this Commission and the Committee was satisfied that a lot of these issues were handled adequately.

I want to take this opportunity to second the Motion and urge this House to speak on this matter and approve these names, so that the TSC can start operating at full capacity, and be able to sort out matters that are affecting the education sector.

Hon. Speaker: The problem is that there are some Members who do not care to know what is happening.

(Question proposed)

Hon. Ababu Namwamba, you cannot be on your phone!

Hon. (Ms.) T. G. Ali: Hon. Speaker, I stand to support this Motion.

I used to be a teacher under the TSC and I know the hefty work that these members will be doing. I know some of the nominees in person; I know of their vast experience and outstanding performance in their areas. For example, Mr. Tache Bonsa Gollo comes from my constituency. He has vast experience as a teacher and as a Vice-Chairman of the Gender and Equality Commission. He has been working with the Red Cross and the experience that he has will help the TSC to move forward.

The Committee has done a very good job of vetting these five nominees and recommending them. I want to thank the Chairlady and the Departmental Committee on Education, Research and Technology. I want to propose that Members support the appointment of these members, so that we can help the TSC to move forward. We have been having quite a number of issues in the TSC, including teachers' strikes as well as the issue of teachers refusing to go back to north eastern region. I believe that these men and women, when appointed to this Commission, will help put the issues affecting the teaching profession to an end.

I support the Motion.

Hon. Speaker: Hon. Members, I want to get an indication, because Members have queued up. There is one hon. Member who has done something which is very good. He approached me and said: "I know I am on the queue but not for the business before us. I am on the queue because I have something on the privatization Bill". There are those hon. Members who are rightly informed. You may have come to contribute to the other Bill. If I remove your name at this point, it will have to go to the tail-end of the queue once I give you a chance on this one. I needed to get that understanding, so that I can go by the queue, as it appears.

Yes, hon. Opiyo Wandayi.

Hon. Wandayi: Thank you, hon. Speaker. I do not know how many minutes I have; I am assuming that they are five minutes.

Hon. Speaker, let me start by saying that I support this Motion for the simple reason that the Teachers Service Commission (TSC) has been in limbo for quite too long. As you are aware, the TSC is one of the constitutional commissions. It has a key role to play in the governance of this country. It is a relief that finally the TSC is going to operate optimally, with all the commissioners having been appointed, if this Motion is adopted. I have always wondered because there seems to be a trend of always looking for people who have worked in the Ministry of Education to populate the TSC. This is a trend we need to re-look at and change. Many a times, we have had people with Jogoo House mentality being transferred to the TSC. What they do is perpetuate the oppression of teachers, which they have perfected over the years. I thought this could be a starting point, so that we can have people from different sectors to infuse fresh ideas into the TSC.

When I saw the name Albert Ekirapa, I thought it was referring to Mr. A.A. Ekirapa, only to learn later that this is a different Ekirapa. It is important that we do not

continue to recycle people and place them in important commissions such as the TSC. The teachers in this country are a suffering lot. They have suffered for ages. We need a TSC that is responsive to the plight of the teachers. If we have teachers who are perpetually grumbling and sulking, we cannot guarantee the future of our children.

As we speak, the teachers of the north eastern region - Mandera, Garissa and Wajir counties – have been camping on the streets of Nairobi since the beginning of first term, because their security in those counties has never been guaranteed. The TSC, in its usual fashion, has refused to give them a hearing. We have had a TSC which is only known for issuing threats day in day out. The new TSC must be made to understand that it is at the service of teachers. It cannot be a case where the TSC views itself as some kind of saviour of teachers. The TSC is at the service of teachers, and must work for the benefit of the teachers.

Hon. Speaker, it is only in Kenya where teachers have to go on strike for their remuneration to be reviewed. It has become a tradition or a ritual. In order for the teachers' welfare to be looked into, they have to go on strike or threaten to go on strike. This issue should be addressed to finality by the new TSC.

The TSC continues to employ double standards when it comes to promoting teachers. There are teachers who have gone through advanced educational training, but remain in the same grades. There is need for a proper system of evaluating teacher's qualifications and rewarding them by way of promotion.

There is the issue of teacher transfers in all the counties, where county education officers, or TSC officers, stationed in the counties use the issue of transfer as a way of soliciting favours from teachers. You may have a case of a teacher, who is basically underpaid, and who wants to be transferred to join his family, who may be living elsewhere. In order for such transfer to be effected, the poor teacher is required to part with some money. Some of them go as far as selling parcels of land or cows so as to bribe corrupt TSC officers in the counties. What I am saying is that, when we approve these names, we need to reform the TSC. That is the intention of the new Constitution. We can no longer have TSC membership with old mindset loading it over the teachers. We need sanity to prevail in the TSC. Education is a very important sector in this country. We cannot progress if we do not make the TSC as accountable as possible, and as envisaged by the new Constitution.

With those very few remarks, I support the Motion.

Hon. Speaker: What is your point of order, hon. Lentoimaga?

Hon. Lentoimaga: On a point of order, hon. Speaker. Since this issue is very important and most Members want to contribute, I am of the opinion that we reduce the time for every speaker, so that more Members can get an opportunity to contribute.

Hon. Speaker: Hon. Lentoimaga, as usual, you should follow Standing Order 97. The expert on Standing Order 97 is apparently out of the Chamber. It is hon. Gumbo. When you want to raise such a matter, always remember what hon. Gumbo does – invoking Standing Order 97. It has to be done at the commencement of debate, and not midstream. For now, hon. Members can only take your sentiments. I am waiting to hear somebody say something that is not exactly what hon. Wandayi said, so that I can apply Standing Order No. 96.

Yes, hon. Yusuf!

Hon. Abdi: Thank you, hon. Speaker. I rise to support the nomination of the candidates for appointment as TSC Commissioners. The appointment of these people is long overdue, given the difficulties and the crisis in the education sector. Nevertheless, it is said that it is better late than never. What I would like to recommend to the TSC is that they should energise and restructure the Commission to enable it deal with the new challenges that it faces. I would like to reiterate the fact that it is important for the Commission to have dialogue with the teachers. Education is one of the most important sectors of our economy. Teachers are major contributors to the well-being and the development of our country. It is important for them to build their credibility and create conducive environment for engagement with the Kenya National Union of Teachers (KNUT), parents and other stakeholders in the education sector. I find it very strange that almost all the disputes in our country today are dealt with through shouting matches that play out in the media every day. What happened to dialogue; discussion and negotiations? It is important for the new team to create an atmosphere for teachers to sit down with them and discuss issues.

Problems and disputes exist in every society, but what makes us different from others is our ability to manage those differences through negotiation and reaching deals. The ability to sit down with stakeholders and resolve issues is lacking in the TSC. Therefore, I would like to recommend dialogue for building of credibility and the trust that the teachers and other stakeholders need to have in the TSC. For heaven's sake, let us look at the importance of the work that we are doing – of educating our children. It is the Kenyan child who suffers when industrial disputes are extended over long periods of time.

On insecurity and the problems that some teachers have raised, while emphasising the fact that teachers should serve in any part of our country, it is also important for the Government to create the conditions necessary for them to work comfortably.

It is not enough to say that a teacher has been employed. He or she has a contract and they must go anywhere despite the realities on the ground. I think we need to come to the middle ground. I would like to appeal to our colleagues in the north eastern region to stretch a hand of friendship to the teachers to make them able to go back and work with those communities, and educate the children of northern Kenya like any other child in our country. I think that requires leadership. It also requires courage, because no side should feel the victor and no side should feel vanquished. We should have a win-win situation in which our teachers can go and teach in those parts of the country, and at the same time our children can have the education that they need. Why should it be the way it is at the moment, and say that the children of northern Kenya will not get the education they need? Why should the teachers of Kenya not get the protection and the respect that they require to work in those communities and be able to achieve the objectives that we have as a nation? I think the Teachers Service Commission (TSC) can play a role. It can look for the middle ground that can bring these interests together, namely the students' needs and the teachers' needs; these groups should work in such a way that we can have a win-win situation rather than the problems that we have at the moment.

I will encourage the new commissioners to go to the Commission with an open mind, and to be able to put into place a mechanism that will make it possible for the problems of education and teachers that we face at the moment to be resolved. This is so

that we can have stability and continuity in our education system and serve our children, so that they can be trained to be the future leaders of our country.

Thank you.

Hon. Speaker: Hon. Members, I will now be looking at the Motion, which is this Report. I have listened and everybody wants to say something general about who is on the streets doing what. We are discussing this Report. So, when I give you a chance, please debate this, so that your speech is not cut short. If I find you not discussing this Report, I will have no option but to cut you short. Let us have hon. Abdikadir.

Hon. Aden: Thank you, hon. Speaker for giving me the opportunity. I stand to support this Report. I want to say from the outset the persons who have been named in this particular Report are people who have very good qualifications. I think the Committee has done a good job in terms of the detailed analysis of the capabilities and the qualifications of each person that they have managed to give us in this Report. I wish to commend the Committee for considering a person with disability (PWD) for such a very important position. Mr. Mbarak Said Twahir is a person with disability. He is a person who started as a classroom teacher and I believe he is going to be very instrumental at TSC in ensuring that the interests of the many teachers with disabilities are taken care of. Many of our schools in our constituencies have teachers with disabilities working under very difficult conditions. I am very encouraged to think that Mr. Twahir, being in that particular high level position is going to be a very useful to teachers in his condition.

As the Chair rightfully mentioned, most of the persons who are here are persons who started as classroom teachers. There is a challenge in TSC right now and people who are required are people who understand the real issues and difficulties that face teachers in the various parts of our country. Some of the nominees have been very clear in strategies and answers on how and what they are going to do about the problems that currently face the TSC.

As you well know, the whole of last week we had teachers demonstrating right outside our gates of Parliament. I think some of the nominees have given very good and encouraging suggestions; they show how they will be able to end this particular problem. Coming from north eastern Kenya, I must say that we have a serious problem which can only be addressed by an efficiently working TSC as per the Constitution. This is because it requires them to, among other things, ensure that they do recruitment of qualified teachers and build the capacity of teachers who are in the area, so that they can give better services.

The TSC is facing a serious challenge because there is lack of confidence in our public education. Many a times you will find that directors in the Ministry of Education have their children in private schools. I want to tell Chair, we should be finding out if any of these nominees, who have been brought here today have their children in public schools. If that is not the case, then it shows the lack of confidence that they have the ability to revamp our public institutions. For that reason, I want to say that TSC needs experts like the people in this particular place, so that we can address that.

Issues of teacher shortages are becoming a serious problem. Some of the nominees here have made good suggestions. I want to say that some of the reasons why we encourage the approval of this Report is because I think the strategy that they are

proposing here is, indeed, one that, if it is implemented, will address the issue of teacher shortages.

We are in a serious dilemma in northern Kenya. Almost all public schools are coming to a close. Mandera is most affected but the situation is the same in Wajir and Garissa. I call on the Chair of the Committee to look into our plight. I know she is already handling this issue. The children of northern Kenya are having serious problems in terms of not getting good education.

In the sense that I want to restrict myself to talking of the people being addressed here, I want to say that the TSC is suffering the challenge of managing relationships with the teachers' unions. These two organs should be working in harmony, so that they are able to understand each other and ensure that grievances raised from one side are rationally discussed. This is so that we do not go to a point where the unions kind of put a gun on the heads of the parents of these schools, and force them to call on TSC to ensure that they take certain very difficult decisions.

I want to hope and believe that the Commissioners being brought on board will have as their first priority, as they have mentioned in their credentials, the ability to negotiate and reach amicable agreement with teachers' unions. This is so that we do not suffer as a country from the problems of our children not being in class. I do not want to say much more than that. I will tell my colleagues that, indeed, approving these names as they appear in the Report that we have been given, and appreciating the good work that has been done by the Committee on Education, will be inject very good efficiency into TSC. For that reason, I encourage my colleagues to support this Report.

Thank you.

Hon. Speaker: Let us have hon. Joseph Manje.

Hon. Manje: Thank you, hon. Speaker for giving me this chance to contribute to this Motion. The TSC is an independent Commission on which I served as a commissioner before I came to Parliament. I know the work that will be done by these commissioners. I know they are capable because they have very good educational backgrounds. A nominee like Beatrice Adu has been a Provincial Director of Education (PDE) in various provinces in our country. So, she is well versed with educational matters. This list is representative of the regions that we have in the country.

Hon. Speaker, being a Commissioner in the Teachers Service Commission (TSC) is like reaching the apex of our teaching profession. That is the highest position. Those people, having gone through other employments, end up in correct positions. When they join TSC, they will be policy-makers in the Commission. They will also preside over discipline cases. That warrants that they should be people with an education background. True to the point, they have been teachers and they know about lesson plans and schemes of work.

I would like to say that the performance of public schools, especially primary schools, has not been very good compared to the private schools that we have in this country. It is the work of those commissioners to make sure that, at least, that trend is changed; where we have public schools performing better than the private schools. That is because that is where the resources are directed by taxpayers.

With regard to the distribution of teachers in this country, they are clustered in a very few regions. If we can distribute those teachers equally in the country, you will find

that we will relieve some areas. The TSC is one of the biggest employers in the country. So, that requires real people who understand that undertaking.

With those few remarks, I want to support this Report.

Hon. Anami: Thank you, hon. Speaker. I would like to support the adoption of this Report but with a little pinch of salt. The operations of TSC and the Ministry of Education have a little disconnect, especially on the management of the schools. It is good that we now have a full Commission that will interface with the Ministry of Education to make sure that the administration and management of schools is streamlined; and that, the principals and headmasters have clear responsibilities. I want to appreciate that with these appointments, though coming a little late, are there now. They need to move very fast and solve the impasse that has created a lot of confusion in institutions.

That said and done, I wish to emphasize the need for the Commission to think outside the box. The deficit we have of teachers in this country is alarming and is creating a huge burden on parents, especially in marginalized areas.

The Commission's first initiative should be to employ enough teachers for all institutions. We do not have teachers and the burden of employing unqualified teachers remains the option for school management committees. That is not very good for us. I would like to observe that our Constitution, having provided for equitable distribution of resources and sharing of opportunities like appointments of Commissioners to institutions like this, need to consider that every region is represented equitably. That is because we could have cases where people run meetings in mother tongue.

With those few remarks, I beg to support.

Hon. Speaker: Is it reported in this Report that people are going to conduct meetings in their mother tongue? I am wondering what the relevance of that is.

Hon. Anami: Hon. Speaker, we need to take this matter very seriously. There is no point why we should appoint people from the same community and yet, we have a diversity of communities here. That is what we need to celebrate. Why do we have two or three people from the same community appointed to the same Commission and yet, we have a diversity of communities that we could interact with to celebrate the diversity of communities and the culture that we have?

Hon. Speaker: So, does it relate to this Report? Is that what is happening?

Hon. Anami: Everything does not have to be said. We know the Chairperson of this Commission could easily go on with the meeting with the qualified appointee, Kinoti Imanyara, in their mother tongue as long as they wish.

(Loud consultations)

Hon. Speaker: Hon. Anami, sit down. You are being irrelevant. We are dealing with this Report. Some of you need to know that we are in the National Assembly of the Republic of Kenya. Try to elevate yourself to the position where your electorates have put you. We are debating this Report and then somebody says they are going to debate in mother tongue. I want to say this because I watched some proceedings today; Chairpersons of Committees, do not allow this to happen. This is the National Assembly or the Parliament of Kenya. I watched some proceeding today in some Committee; the

Joint Sitting and hon. Gikaria spoke in some funny language and purported to explain what he meant. Do not do that. You are on national television. You are in the Parliament of Kenya. The medium of communication is either English or Kiswahili. When you bring those others, it may excite you in the village, but you are in Parliament.

I must say this and I am not necessarily talking to hon. Anami. It is because I watched this and I was wondering what proceedings those were and you purport to be a Committee on Appointment--- Surely, you are not appointing people to go and serve in your villages. Please, let us project the image of the National Assembly of the Republic of Kenya. Speak the language that is spoken by hon. (Ms.) Odhiambo-Mabona and hon. (Prof.) Nyikal. Speak either in English or Kiswahili.

(Hon. (Ms.) Kajuju stood up in her place)

Hon. Speaker: Hon. (Ms.) Kajuju, what is your point of order?

Hon. (Ms.) Kajuju: On a point of order, hon. Speaker. Is it in order for hon. Anami to refer to the issues of a certain tribe just because they happen to be in the Commission? That is extremely not in order and I consider, in my view, to be irrelevant to the present Report that is---

Hon. Speaker: Hon. Member! That is not a point of order. If you do not agree with what somebody says, it does not become a point of order. If you get agitated, there is nothing out of order. I have sufficiently admonished hon. Anami and I can see he is seated quietly in appreciation. Now you start saying---

Hon. Chanzu: Thank you, hon. Speaker. I rise to support the adoption of the Report on the vetting and appointment of nominees to the TSC. We know very well that TSC was entrenched in the Constitution for a purpose because of the roles that it plays with a large workforce comparable to the main Civil Service with over 200,000 teachers. Therefore, it is necessary that we have all commissioners in place in order to deal with the varying issues and problems that face TSC.

For the last about two years, we have been having only three Commissioners. When this exercise is through, I am sure they will be able to fulfil the role that Teachers Service Commission (TSC) is supposed to play. The only good thing that happened about TSC is being entrenched in the Constitution. With regard to the roles that TSC is supposed to play at the grassroots, it is incumbent upon those Commissioners to work out mechanisms on how those who are appointed at counties and below can function to become effective. The intention of having TSC decentralized at county level was so that teachers' cases, for example, promotion and discipline, are handled expeditiously. I am hoping that the new face of TSC will take that into account and save the time teachers spend having to trek across the country. That is what they have been doing in order to come and have their matters resolved here.

The other issue regards Persons with Disability (PwD). We have got Mubarak Twahir. However, if there was a chance, we should not have limited ourselves to one. In fact, we could have a second one. We had a lady who performed very well but, because of the numbers and the issue of regional balancing, we could not take them both. We are hoping that the lady by the name of Lukalo, who also performed very well, when the time comes again, she will get a chance. The issue of gender balance has now been addressed.

We have been told about Beatrice Marembo Ado. We found that she has adequate experience in teaching. That is quite a plus for the Commission.

Finally, the person who got the highest marks is Albert Ekirapa. He happened to have got a job with the County Government of Busia. But when he was asked by Members who were vetting him which job he would take, he appreciated that the TSC job came with a bigger responsibility than taking up a job in the County Government of Busia. We, therefore, congratulate them and hope that they will help in dealing with the issues of the Union. The Union has been very forceful because the Commission has not been strong enough. The advice that we can give them is this: They should be proactive in dealing with the teachers' problems in advance before the Union comes in. They need to find solutions that are facing the teachers, for example, salaries and benefits. They should do this before the Union intervenes and causes a lot of chaos as it has done in the past.

With those few remarks, I support.

Hon. Speaker: Before I give the next Member a chance, I want to throw this general caution. Fortunately, he is the one who is next on line. Please, the habit of coming to check what position you are--- If you want to check, do it with the Clerk. Do not come to the Speaker's Screen. It will look like you are coming to canvas to be the next one to speak. But in truth, you are actually the next one. It will look like Members are being given a chance to speak because they have come to whisper something to the Speaker. I had wanted to deny the Member the opportunity, but he is the one on line. Please, just desist because we follow the screen and if your names are there, the order will be followed.

Hon. Ibrahim Saney, the Floor is yours.

Hon. Saney: Thank you, hon. Speaker and I stand guided. I stand to support the Motion.

The TSC is one of the Chapter 15 Commissions and Independent offices as envisaged in the Constitution from Article 248 to 253. The independence of those Commissions, TSC being one of them, is indicated in Article 249(2) (b). They are not under any direction or control. The TSC is a body corporate. This means they have the mandate to run their affairs independently and without any interference.

For them to operate optimally, the TSC can only do so when it has all the requisite commissioners in place. The nomination and the subsequent vetting of the nominees is welcome and it is a big relief; though belated. I believe sooner or later, they will be in position to face the gigantic challenges facing the teachers of this great nation. The challenges have been so many and it is hard to enumerate them. The northern Kenya issue is one that is with us and it will take some time before it is resolved. Teachers have always used KNUT and the tyranny of numbers to muzzle the State and make sure that they are paid even when the core economy may not afford what they are demanding for.

The fact that the country is under-staffed is also another big challenge and I believe having the right Commissioners will help this country to salvage the education sector that is bleeding seriously.

I have one serious observation to make about this Report in as much as I support it. We have always used the gender rule unfairly to catapult some officers to jobs which they may not deserve. If you go through the Report, according to the interview and

ranking, you will realise that Mrs. Beatrice Maremba Adu is number 21 having scored 64 per cent. Dr. Paul Okwach has been ranked number three with a score of 83.4 per cent. This suggests that sometimes---

Hon. Speaker: Are we dealing with those Reports?

Hon. Saney: Yes.

Hon. Speaker: But you are talking about people whose names do not appear here.

An hon. Member: No! They are there!

Hon. Saney: Hon. Speaker, I am making reference to the ranking according to the interview. The fact is that number three, according to the interview list, Dr. Paul Okwach, who scored 83.4 per cent, could not secure the job. It is simply because he is male. Unfortunately for him, somebody who was ranked number 21 in the name of Beatrice Maremba Adu has to get the job just because she is female. I believe it is not fair to use gender to deny qualified candidates. It is never fair to use gender to get jobs undeservedly. I believe that according to the interview, Dr. Paul Okwach did well. It is unfair that he is denied the job and somebody ranked so low at position number 21 is given the job. I believe that in as much as the gender rule must be upheld constitutionally, it should come with some merit and qualification. It is not about blindly following gender and denying Kenyans, be they male or female, jobs. We should not just go for the gender rule.

With those few remarks I beg to support. Thank you.

Hon. Speaker: So, your point is that we go only by merit. Is that so, hon. Saney?

Hon. Saney: Hon. Speaker, even this House is a product of a democratic process. We have nominated people on the basis of gender. Actually, it is a problem in my county where a third of the Members of the County Assembly (MCAs) have been nominated. That is 15 out of the 45 MCAs and yet, the sovereignty of the people is vested in the elected members. So, a time may come when the 15 MCAs can meet the quorum rule in Wajir County Assembly and make decisions. In as much as gender must be considered, they must be people that are competent and who have passed well. It is not just merely looking for a female or male candidate.

Hon. Speaker: Well, look through the list. The Constitution requires that there should be regional balance. So, look through that list.

Hon. Saney: It is not there. Dr. Kwach is from Nyanza and Nyanza is missing.

Hon. Speaker: You also need to address the issue of gender. Anyhow Members, it is not just because hon. Saney has raised something that you think you do not agree with and so it becomes a point of order.

Hon. Samuel Gichigi.

Hon. Gichigi: Nakushukuru sana, Mheshimiwa Spika, kwa kunipa nafasi hii. Nasimama kuunga mkono Hoja hii ambayo imeletwa na Kamati ya Elimu, Sayansi na Teknolojia. Sababu zangu za kuiunga mkono ni kama zifuatazo:-

Kwanza, umuhimu wa hao maafisa kuteuliwa ni waende kazini katika Tume ya Kuajiri Walimu hili iweze kufanya kazi vizuri. Pili ni kwa sababu wametoa mfano mwema kwa kuteua mlemavu ambaye amepewa wajibu na jukumu kubwa katika nchi hii. Kumekuwa na mgogoro huko mashinani kuhusu uwezo na majukumu ya Wizara ya Elimu na Tume hii. Kwa hivyo, ni muhimu sana. Sasa ni wengi. Waende watatue

matatizo ili kazi iendelee vizuri. Pia waende washughulikie walimu wakuu ambao wanakataa kutii amri ya Wizara kuhusu karo. Vile wanakataa, ni kama hizo pesa zinaenda kwa mifuko ya watu. Ni afadhali wangukuwa wakiambia Serikali iweze kusaidia mahali ambapo pana upungufu wa pesa badala ya waendeleo kuumiza wazazi na wanafunzi kwa kuitisha karo ya juu zaidi.

Ijapokuwa naunga mkono, ningetaka kutaja maneno kadha. Kwanza, kuna shida kidogo kuhusu hawa maafisa ambao wameteuliwa hapa. Tutapitisha Hoja hii na nitaiunga mkono kwa sababu ya wakati na wamehitimu kuchukua nafasi hizo. Lakini ukiangalia wale wote ambao wameteuliwa, vile Serikali yetu ya Jubilee na Manifesto yake na pia vile Katiba inasema, hakuna kijana hata mmoja ambaye amepewa nafasi. Ukiangalia wale wameteuliwa, mmoja ni miaka 60, mwingine ni miaka 59, mwingine ni miaka 56 na mwingine ni miaka 62. Sisemi wazee wasifanye kazi, lakini ni muhimu pia vijana wa kati ya miaka 30 na 40 wapewe nafasi. Wengi wa walimu ambao wanasimamiwa na hii Tume ni vijana. Kila wakati wakienda kutafuta msaada kwa Tume, wanaenda kwa wazee watupu. Hata wale ambao wako kule kwa wakati huu pamoja na Katibu wote miaka yao imesonga. Ni kweli tunataka ile hekima, lakini vijana pia wapewe nafasi kwa uteuzi ambao utakuja.

Naona kuna umuhimu tubadilishe sera ya elimu ambayo inasema kitambo mtu ateuiliwe katika Tume hiyo, anastahili kuwa amefanya kazi zaidi ya miaka kumi. Mwalimu akitoka chuo kikuu akiwa na miaka 25 na umpatie miaka 10, atafikisha miaka 35. Kwa hivyo, ni muhimu sana vijana wapewe nafasi. Kwa Serikali yetu na hata Rais wetu, ningetaka hili jambo la vijana liangaliwe kwa sababu litaleta shida katika hii nchi.

Jambo lingine ni kuwa hawa wote ambao wameteuliwa ni walimu ambao wamefanya kazi wakakuwa maafisa wakubwa katika idara mbali mbali. Kwa kweli, hii ni Tume ya walimu. Lakini ni makosa Tume yote inasimamiwa na walimu. Wanahitaji pia taaluma zingine kama vile sheria na uhasibu. Vile wako, itakuwa ni kama shule itakuwa ikiendelea katika Tume hii.

Nikimalizia, ni muhimu pia tuangalie mambo ya tume kama hizi. Ni kweli wana uwezo wa kikatiba, lakini wote wakumbuke kuwa wako katika Serikali. Vile tume za kikatiba zimekuwa zikifanya ni kukaa kando na kusema zisiambiwe kwa sababu zina uhuru na zitafanya vile zipendavyo. Lakini kila mwisho wa mwaka, wanakuja kwa Serikali Kuu kuomba fedha za kugharamiaa bajeti zao. Ni muhimu sana waweze kujua kwamba lazima wafanye kazi na idara zingine za Serikali na tume zingine. Tuko katika Serikali moja. Zote tuko katika basi moja ya kuelekea kuleta maendeleo katika nchi hii yetu.

Nashukuru sana, Mheshimiwa Spika.

Hon. Speaker: Thank you. Of course, I was waiting for somebody who is going to talk about the mandate of the Teachers Service Commission (TSC) because the Report has failed to explain what its mandate is. So, I was expecting that those great Members who have various backgrounds in many areas could also touch on that. However, we will assume it is the way the debate is structured.

Member for Rongo.

Hon. Anyango: Hon. Speaker, thank you for giving me this opportunity to make a few observations. Every morning, God gives us several hundreds of new children randomly distributed throughout the country. All those children are capable of being

taught. The difference in the country is in the teaching. At primary school level, some teachers can literally kill a whole clan because the children of that clan go to one primary school. If the head is also a weak one and the situation continues for ten years, the teachers have killed an entire generation of the products of that particular clan.

Now that the TSC is a complete Commission, we expect them to effectively manage the teachers. For example, there are hardship areas in this country and the big difference could have been if the children from those areas were properly taught. You will have observed that even in this House, we have Members from those very hardship areas and you can see their contribution. Many times out of missionary work, Kenyans have quality material throughout the Republic, from Mandera all the way to Busia. The TSC should exercise effective supervision of the teachers. I am happy that, at least, one of the nominees is qualified in performance contract management. Another one is qualified in quality assurance. We should not have a problem that teachers do not go to hardship areas if the TSC worked as a manager of human capital in the Republic. We can pick teachers at random and say that they must serve in a hardship area for at least four years in their careers. This way, every area would have postings to hardship areas literally generated by the computer and we would expect them to give good service in those places.

It is time we insisted that the mean standard scores in schools must be of a particular minimum. I know some schools which have never had a mean score of above 250 year-in, year-out. We are managing a consumption-driven economy and since 1997, the teachers have been making demands for huge pay increases. There is no matching productivity. That productivity should be exercised by the new TSC, now that it is going to be complete. If a school is going to have mean scores of below 250 and is not able to take any students to national schools or any of the good secondary schools because of poor results, there should be an explanation. There should be a report to the community why somebody is assuming that some communities produce kids that cannot be taught. Yet, it is the teachers who have not done a good job.

One time, I gave notice to the teachers in my constituency that unless one is a graduate, after ten years, you will have no opportunity to head any of my primary schools. They thought I was joking. The policy now is that the vacancies will be advertised and if there are graduates, including those below you, they will take the headship and you will not move ahead if you have done nothing to improve yourself. The new TSC should insist that every teacher improves himself and there should be evidence to that effect. You cannot be in the teaching profession when you do nothing to improve yourself. We are not going to pay higher salaries if there is no productivity. We are sure we are going to have to pay because of the muscle of the Kenya National Union of Teachers (KNUT) and the Kenya Union of Post Primary Education Teachers (KUPPET) to keep demanding higher and higher salaries. They are not alone. So many other people are seeking better pay, but that better pay must be matched by productivity. That productivity must be supervised by the new TSC. Now that it has full membership, we expect to have a secretariat that is professionally capable of managing teachers as the basic human resource capable of developing our national human capital.

Hon. Speaker: Member for Nakuru East.

Hon. Gikaria: Thank you, hon. Speaker. I have heard my colleagues and I do not have anything fresh to contribute to this Motion. Basically, I will just be repeating what my colleagues have just said. So, I rise under Standing Order No.95 to request you to call upon the Mover to reply.

Hon. Speaker: Hon. Members, you appreciate that there is other business. We cannot all speak to one Motion. We began debate on this Motion yesterday. It is there because of the time lines.

I, therefore, call upon the Mover to reply.

Hon. (Ms.) S. W. Chege: Thank you, hon. Speaker. With your permission, could I donate two minutes to the Member who had started speaking but did not have a chance to speak?

Hon. Speaker: You can do that when I am not on the Chair. Donations are not allowed. I do not allow donations here in the plenary.

Hon. (Ms.) S.W. Chege: Much obliged hon. Speaker. I would like to thank the Members of the Committee on Education, Research and Technology and this House for supporting this Motion. I am very sure that with all the Commissioners at the TSC, the teachers of this nation are going to be served better. I thank the House for supporting the Motion.

(Question put and agreed to)

Hon. Speaker: Next Order!

MOTION

ADOPTION OF REPORT ON PUBLIC SECTOR OWNED/ CONTROLLED SUGAR COMPANIES

THAT, this House adopts the report of the Departmental Committee on Finance, Planning and Trade on the privatization of the public sector owned/controlled sugar companies (Nzoia Sugar company, South Nyanza Sugar Company, Chemelil Sugar Company, Muhoroni Sugar Company and Miwani Sugar Company) laid on the Table of the House on Tuesday, 2nd December, 2014.

(Hon. Langat on 25.2.2015)

(Resumption of Debate interrupted on 25.2.2015)

Hon. Members, the Motion before the House is the report on the privatization of the public sector owned/controlled sugar companies, which was moved by the Chair of the Departmental Committee on Finance, Planning and Trade. It was seconded after which the House moved to discuss the Motion of Adjournment. It, therefore, means that any Member can now contribute. I will go to the list.

Hon. Justice Kemei said he was on top of the list, but not for the other Motion. He was being strategic. Now, you have your time.

Hon. Kemei: Thank you, hon. Speaker, for giving me the chance to contribute to this Motion. At the very onset, I am a believer in the role of the private sector in production and development in general. I believe that there should be less Government in production and more of the private sector in production. If we privatized our sugar mills in this country, we will make them more efficient. That would enable them to expand their capacities and diversify their production base. We would make them use more sucrose content varieties and generally improve their efficiency to levels which we can realise in this region.

In Kenya, for example, we produce sugar at a cost of about US\$600 per metric tonne. Countries like Zambia and Sudan do it at about US\$350 per metric tonne. This means that we are a high cost producer of sugar. If we want to match the countries that I have mentioned, let alone countries like Brazil and Venezuela, then we must inject private capital in our public owned mills.

However, I have certain fundamental reasons which I believe should be addressed in the privatisation process. With regard to the Muhoroni Sugar Company, for example, the land was taken from the people of Kericho and Kisumu counties. Out of about 5,000 acres of land, close to 50 per cent was taken from the people of Sigowet/Soin Constituency. It is my firm proposal, on behalf of the good people of Sigowet/Soin Constituency that the privatisation process considers that the land on which Muhoroni Sugar Company sits reverts back to the Government to hold it in trust on behalf of the people of this country.

Hon. Speaker, Muhoroni, again, has two parcels of land in Sigowet/Soin Constituency. Out of the two parcels of land, we have squatters on approximately 455 acres. The case of those squatters has not been settled for a very long time. My greatest fear is that if we privatize Muhoroni Sugar Company, inclusive of land, the case of the squatters who have been on that land for so many years will not be adequately considered. I put it very strongly to the Chairman of the Departmental Committee on Finance, Planning and Trade that, as the issue of privation of company is worked on; the issue of settlement of the squatters on the pieces of the land that I have mentioned should be considered. The two pieces of land are registered as LR 3977 and LR 3978/2.

[The Speaker left the Chair]

*[The Temporary Deputy Speaker
(Hon. (Ms.) Mbalu) took the Chair]*

Hon. Temporary Deputy Speaker, the other fundamental issue I want to bring to the attention of the House is that Muhoroni Sugar Company has been valued at less than Kshs1 billion. If you consider the value of the enormous piece of land, the sugar mill itself and the plant and equipment in that factory, you will appreciate that the valuation of the company is not adequate. It is likely to lead to a throw-away of that important institution into the hands of the private sector.

The third issue I want to raise is that, at the moment, there is prospecting for oil in that belt. If we were to privatize Muhoroni Sugar Company and let the land go to the private sector, the inhabitants of that area will lose a lot. In the event that there is oil, and we sell the company at the stated value, the likelihood is that the people of my constituency and, indeed, the people of Muhoroni Constituency, who are represented by hon. Oyoo, will be losers at the end of the day.

Finally, so that I can let my colleagues speak on this matter, the people of my constituency have, in no uncertain terms, told me that if Muhoroni Sugar Company is going to be privatized, the land on which that company sits should revert back to the Government so that it can take the decision of giving it back to the people to use it for purposes of their choice. They have told me in no uncertain terms that, for example, if it was to go to tobacco production, they are not interested. Also, if we left it to private hands, there is the likelihood that it will be used for tobacco production.

Hon. Temporary Deputy Speaker, those are the fundamental issues I am saying should be considered by the Committee responsible for privatization. I have a petition being processed by the Office of the Speaker on those issues. I cannot support privatization if the issue of land is not adequately considered, with the interest of the people of Sigowet/Soin Constituency and Muhoroni Constituency, in mind.

Thank you, hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Very well spoken.

Yes, Member for Samburu West.

Hon. Lati: Thank you, hon. Temporary Deputy Speaker. I wanted to speak on the other Motion, but the Member for Nakuru found that we are all going to speak on what he has already spoken or what he has in mind.

This is a very important sector and, indeed a very important step for any country to take. It is ancient thinking to have government running businesses alongside the private sector. Governments are supposed to govern, regulate, provide security and do all other things to make sure that the business environment is conducive for private business to thrive. It is old school for government to be an active member of the business community. As a country, we need to get over those hangovers. When you consider the kind of businesses that the Government is getting involved in, like the sugar sector, you will appreciate that they are things which need to be traded at the Nairobi Stock Exchange (NSE), so that they can be owned and managed by the citizens of this country and foreign investors.

In the developed democracies like the United States of America (USA) and many others, the Government is only involved in extremely strategic industries. Even in those strategic industries, the government is not directly involved. For example, the weapon industry, which is very strategic to a super power like the USA, the government does not involve itself directly in the manufacture and design of weaponry. Such work is actually done by companies like Lockheed Martin and Boston Scientific, with close supervision of the government. It just goes a long way to tell you how far we are if we still consider things like sugar strategic. What is strategic? Having every Kenyan taking a cup of tea in the morning does not provide any strategic value to the State.

We know that the private sector is very good at ensuring efficient production and creating job opportunities. That is what is needed in a country like Kenya, where the

unemployment rate is approximately 40 per cent. A few days ago, we were told that we are one of the poorest countries in Africa. It does not sound good for the Government to continue clinging on selling things like sugar. Programmes that are run by the Government are riddled with corruption. It is long overdue for our people to benefit from the efficiency that the private sector provides, particularly considering that we have a large pool of human resource that is not employed, and that the production process in our sugar industry is not only low and very inefficient. I support this initiative and hope that our digital Government of President Uhuru Kenyatta and his deputy will set the pace in that direction so that in a few years to come, those of us who have no sugar companies in our counties can partly own sugar companies through the NSE.

Hon. Speaker, I am amazed by the kind of Reports that we produce in this House. We are dealing with sugar reports from the Departmental Committee on Agriculture, Livestock and Co-operatives. We also look forward to dealing with the fisheries report. They all sound good because they tend to touch on the livelihood of many Kenyans. I want to challenge the Departmental Committee on Agriculture, Livestock and Co-operatives to be proactive in areas outside crop farming and fisheries because a bigger part of our country consists of pastoralists. Therefore, it looks like the Government is biased, given that we have not seen any report on livestock rearing.

I have also never heard of pastoralists being given subsidies or loan reliefs by the Government. It is very unfair to many people in this country. We need to see pastoralism as a livelihood for so many Kenyans. This is a matter which should go all the way to State House. We use taxpayers' money to relieve people of private loans in the coffee, sugar and other sectors. People in Northern Kenya are fully dependent on livestock. They are citizens of this country, who also pay tax. They also need some sort of relief. In fact, there is no parastatal in this country mandated to look into the livestock sector. This bias has been carried forward since Independence.

We need to change that direction so that at one time in our country, some livestock commodities exchange trade is done at the Nairobi Securities Exchange (NSE) just as it is done in the Chicago Commodity Exchange. That way, our people can also feel the benefit of being in the e-commerce of the current world.

With those few remarks, I support.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Hon. Nicholas Gumbo, Member for Rarieda.

Hon. (Eng.) Gumbo: Thank you, hon. Temporary Deputy Speaker. Before I contribute to this Motion, I just felt that we should have given more time to the other Motion. Although it has passed and it is not good to go back there, I frankly think the biggest problem in the education sector is the parallelism between the Ministry of Education, Science and Technology and the Teachers Service Commission (TSC).

Having said that, thank you for giving me the opportunity to contribute to the Motion about a Report on the privatisation of the public sector owned and controlled sugar companies. Privatisation will clearly address some of the problems in the sugar sector. However, I do not think the real problem is privatisation or lack thereof *per se*.

When Mumias Sugar Company (MSC) was privatised in the early part of the last decade, there was a lot of glee and many of us had hopes that this was the way to go for some of the leading sugar companies like South Nyanza (SONY), Nzoia, Chemelil and

all those other companies. When we look at the problems going on in MSC today, one begins to wonder whether privatisation is going to be the cure of all those problems.

I think we have to address the real problems in the sugar sector. For me, the biggest problem in the sugar sector remains the fact that the price of imported sugar is much cheaper than the price of locally produced sugar. I have been told that some of the imported sugar costs as low as USD300 per tonne while the price of producing local sugar has gone to as high as US\$750 per tonne. If we do not address those problems, we are not going anywhere.

As my good friend from Sigowet/Soin has said, let us also look at the issue of land on which those factories are and even the surrounding communities. Part of the problems people have had with privatisation is that it does not put limitations as to how much is guaranteed for the local communities and yet, they always have a feeling that the properties in question are 'their resources'. As we privatise, let us look at all those issues. We cannot divorce community issues from economic issues because if we divorce them, we will be bringing tension. We know that people fight over resources and this is one.

When you go to South Nyanza where I went to school, you will find that SONY Sugar Company sits on land that belongs to the people there. If you privatise it, what do you do with the land? That is because there is no value you add on the land by privatising. I think it is good we look into those salient issues because going on a commercial direction without looking at what immediate benefits you are transferring is improper. I have talked to some of the people in those areas and their fear is that once this thing is privatised, people with a lot of money from other parts of the country will come and buy the company. The locals will thus be reduced to bystanders who merely do menial and subordinate jobs. Those are real concerns which we have to address if we are to limit the tensions in our country.

More importantly, I am one person who speaks. I think it is almost a universal principle that thinking big and thinking small costs you the same amount of energy. If I sit here and imagine that I want to own a jet and I sit here and imagine that I want to own a bicycle, it costs me the same amount of energy. We must ask ourselves the question: "Why will it be possible to transport sugar from Rio de Janeiro in Brazil and by the time it lands in Nairobi, it is cheaper and almost half the price of sugar that is produced here in Mumias?" I think the problem lies with the fact that while in places like Brazil sugar is a by-product of another industrial process, ours is the main product. Jaggery and molasses, which are waste products, in essence, are its other major products of sugar in Kenya. The Brazilians have gone ahead and are producing bio-fuel and other products from sugar. I think if we go and look at it that way, then we will see sense. I am not convinced that the Government should be doing business but, instead, be running a country. Let us get the Government out of this business and be careful about the issues surrounding the communities in those places. Let us be careful on how we are going to safeguard the clear inalienable rights of those communities so that we do not end up by privatising and only transferring wealth from one community to another. If we do that, then the purpose, though noble, may not have achieved much in as far as the long term goals of our country are concerned.

With those remarks, hon. Temporary Deputy Speaker, I support.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you. Let us get the Chair of the Sugar Caucus, hon. Jared Opiyo.

Hon. Opiyo: Thank you, hon. Temporary Deputy Speaker. I want to contribute to the Motion about this Report.

First, I want to inform this House that in the month of January 2013, this honourable House passed a Resolution that the Government of Kenya should clean or restructure the balance sheets of all agro-based industries in this country. All the other agro-based industries of tea, pyrethrum and even coffee had their balance sheets cleaned by the Government. However, that never materialised for the sugar sector. I want to understand if this matter is not a conspiracy against the economies of sugar-cane growing areas. The House may be interested to know that the sugar sector supports the livelihoods of close to 7 million Kenyans and the Government simply reneging on support for the sugar sector looks malicious to me. We cannot simply sell our sugar factories like people selling *mandazis* in the market. I wish the Departmental Committee on Finance, Planning and Trade would have engaged Members of Parliament from sugarcane growing areas because they have the feel of their people on the ground. My suggestion to this House is that before we embark on or even attempt to materialise privatisation, I feel that we should revalue our sugar factories. The best thing to do will be to value the lands differently from the machinery.

Even if we had to privatize, what we would want to sell are basically the machinery and the lands on which the machineries stands and not the land that is occupied by nucleus.

Hon. Temporary Deputy Speaker, my feel of this is: Let the land that the industries used to use as nucleus be revalued and given to the county governments to hold as community land in trust for the people of those regions, if we do not want to bring confusion.

Another approach that we could take would be, for instance, to work on an asset transfer mechanism so that the 49 per cent shareholding that the Government wants to keep in its warehouse could be held by the county governments in trust for the people. We do not want to make a mistake because we have learnt from the case of Mumias Sugar Company which was sold without much consultation and right now, it has gone down the drain. We do not want a cartel of business people to simply buy into our sugar factories then probably midway, change their minds that they do not want to produce sugar. They change to groundnut or probably maize production and then leave our farmers with their crops with nowhere to take it.

I strongly feel that if this Departmental Committee on Finance, Planning and Trade is really genuine that they want to help the people of Kenya, the best thing they can do is for us to caucus again and agree to give ourselves a timeline of maybe one year or two years to, first of all, revive those sugar companies so that they are profitable again. We do not want a situation where we want to sell our factories at a throwaway price just because they are not profit-making as of now. I really think that the hon. Speaker will give Members of Parliament who belong to the sugar caucus group to ventilate on this matter because they have things that they feel so passionate about that they must, at least, ventilate before this matter is concluded.

Thank you.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you. Well spoken.

Hon. Bunyasi: Thank you, hon. Temporary Deputy Speaker. I rise to contribute on the matter before the House now on the issue of privatization of sugar industries. I come from the sugar belt area; I live it and I hear it every day. The value of those properties that is of potential benefit to our farmers is not the physical asset: It is the business that goes on this asset. It is important as a country that we evaluate why our business in sugar is not that good. The issue that has been mentioned of how sugar come from faraway lands to us shows us opportunities that we might be able to emulate. For companies like Mumias, this one is probably going along the same track.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): There is an intervention from hon. Kemei. Are you on intervention? I hope you are not speaking again because my record shows that you spoke to the Motion yesterday. You have already spoken and you cannot speak twice. You spoke today; you cannot speak twice. What is your intervention?

Hon. Bunyasi: Hon. Temporary Deputy Speaker, I am on the Floor.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Yes. Let me hear the intervention from hon. Kemei

Hon. Kemei: Hon. Temporary Deputy Speaker, I am not seeing the Chairman of Departmental Committee on Finance, Planning and Trade and I am not seeing hon. Members from that Committee. Equally, I am not seeing the Chairman of Departmental on Agriculture, Livestock and Co-operatives so that the views of hon. Members of this House are taken into account when are moving this process.

Thank you.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you. I was well advised that the Chairmen should be in the House to listen those sentiments, but we will communicate to the Chairmen. Hon. Bunyasi, carry on.

Hon. Bunyasi: Hon. Temporary Deputy Speaker, I am a Member of the Departmental Committee on Finance, Planning and Trade, but I am not sitting here to represent them. They are in a meeting now looking at issues related to the Budget. This matter has been before the House for a long time. This issue has not sprung on the House. The House did not prioritize this enough prior to the time when we are reaching the lapse of the COMESA Protocols.

Let me go first to the issues of privatization. People have referred to Mumias as not having been a good example. It had all of the elements that we are talking about now. They had the element of co-Government participation. They had the element of significant farmer participation and the element of other private sector entities that were involved in it. What we are not confronting as hon. Members and as people is that, that farmer for whom we think we are speaking for has very little value in holding a share. That is what is happening in Mumias. Farmers had share certificates. They thought they would walk in and withdraw money like a savings account or some such thing but it was not giving the returns they expected and so, they sold them at highly discounted prices. The concentration of shareholding that had been left to the farmers ended up with owners of shares who did not come from the region necessarily; or who were not in farming. That is because farmers had very little value for it. We have a long way to go to express this; to explain this to our farmers to a point where they can appreciate it.

The worst group to give it to is the county governments. What capacity do they have to supervise that commercial production? I thought that the proposal that was there was: “Yes, give some shares to farmers but educate them on what it is they holding in their hands and accepting that if it is on the Stock Exchange like Mumias was, one day it will be up and the next day it will be down.” They can see their paper gains and paper losses. As it turned out, overall, it was losses as it were. Why do you want to enslave our farmers in sugar-cane production when they could have other opportunities if they wanted to move out? Many farmers in areas like Mumias - under the Mumias zone - are walking out. They are walking to dairy or oil crops. They are doing other things. Let us not enslave them there. What we should do as we privatize is to say: It is an option that the farmers will have. They may be in or they may be out. Over time, sugar-cane is not the only thing that will lift us out of poverty.

Many companies, Mumias included, had paved the way for diversification of the type that might lead us one day to the Brazil example where sugar is just like a by-product and, therefore, you can afford to price it accordingly with the main components being ethanol and others. Things went wrong, which tells us that even corporate governance in the private sector can go wrong and, certainly, there are major issues in corporate governance that have spoiled what I thought was otherwise a very good example. Unless our systems work fully, the commercial system anywhere in the world, including ours, does not work well. All the aspects must work well. Which other aspects am I talking about?

It is the judicial system, for example. If there are aberrations; if there are deviations from the norm, they can be tackled and taken up. But we have systems that many times you “sort of” lose their trail when there is reinforcement that is supposed to be done. Those are the kinds of things that undermine even corporate governance. We shall not get it unless we get that bit right. Respect for contracts and enforcement of those contracts without emotion. Where I come from in Nambale, we have Nasewa land where things did not go right. Things did not go right just because of bad corporate governance and the people have not been brought to book whatsoever. The losses are being absorbed by somebody, including the Government. That cannot be the case. For those who know about the sugar industry, the amount of money that has been pumped into it is not commensurate with the output that we expect from it. Some enforcement is needed. Why would the company that has been running throughout the year be unable to get money even to finance the annual maintenance program? Why should the taxpayer put money in that kind of thing? I support the privatisation call but on condition, of course, that you give them a tight leash. Give them a tight leash. Get the guys who are stealing from those companies; get the people who are rent-seeking from those companies and let us see if the remaining factors like land, machinery and capital will be reconstituted to have a profitable and viable enterprise going on.

As it is, it has been a drain on the taxpayer and if we hold on to this any longer, we are draining further the taxpayer. If that farmer knew, if that consumer of sugar in that area knew that he could get sugar at Kshs45 or Kshs50, they would not support the process where they end up paying Kshs120.

So, let us think about the consumption side as well. They are many factors to weigh. My plea to my colleagues is that this is a dead weight loss. If we continue holding

it in our hands, we are not doing our farmers any favour. I agree with the suggestion we should re-engage with the process so that we can safeguard as much as possible. But let us get on with it. Let us get it done and let those companies prove themselves. They can either stay in the sugar business or get out and do other things in the same zones.

With those few comments, I support the process of privatization.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Member for Budalangi and Chairman of Public Accounts Committee (PAC), hon. Ababu Namwamba.

Hon. Ababu: Hon. Temporary Deputy Speaker, this question of sugar is really a pain, especially for those of us who come from that region. We represents persons whose livelihoods and basic survival depends on income from either growing sugar-cane or working in the farms. The farms that are subject of this Motion are Nzoia Sugar Company, South Nyanza Sugar Company, Sony Sugar Company, Chemilil Sugar Company, Muhoroni Sugar Company and Miwani Sugar Company. Those are companies that have faced serious challenges. Of course, it is a good idea to start talking about privatisation.

(Loud consultations)

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Order, hon. Members. Please, can you give the Chair time to listen to the contributions? I will not allow you to come here unless it is very critical. Let us consult the Clerks-at-the-Table and get the advice. Hon. Ababu, carry on.

Hon. Ababu: Thank you, hon. Temporary Deputy Speaker. I was making the point that all those farms listed here have been greatly troubled. Of course, the opportunity to go privatisation also provides us with an opportunity to interrogate and get to the core as to exactly what ills the sugar sector or sub-sector. What is worrying is that even farms like Mumias that have in the recent past given the indication that they were healthy have suddenly gone south as it were. This leaves us with the question: Where does the solution to those challenges lie?

The sugar sub-sector - and we are talking about the sugar-cane growers and the labourers whose livelihoods depend on those sugar companies - is truly troubled. Some of the reasons for the trouble are well known. Indiscriminate importation of cheap sugar from within the Common Market for Eastern and Southern Africa (COMESA) region and even as far places like Pakistan is a major factor for the challenges facing this sub-sector. So, we talk of privatisation, and perhaps that could be the direction to go, because we have tried other models and they do not appear to be working. So, perhaps, privatisation might be the panacea to this problem. However, we must also, as a country and as a Government, make the painful decision to put in place measures backed by legislation that can protect this sector. There is no reason why other agricultural sub-sectors like tea and coffee are doing better than this sub-sector. We have to protect this sector. What is sad is especially the challenge of importation of cheap sugar into this country which floods the market. This is a problem that is perpetuated by individuals in very influential places. So, Government must be very clear that even as we go privatisation, there will be a very firm commitment through policy, legislation and decisive action to protect those farms and the sub-sector generally.

Privatisation should also lead us to an arrangement where we upgrade the technology we are applying in that sub-sector. Some of the technology is so outdated that it is impossible for our farms to compete with producers within the same geo-political zone. We are talking about Uganda and Sudan. The cost of production makes it impossible for our sugar to compete within the same geo-political zone whether we are talking about COMESA or the East African Community (EAC). So, yes, let us go privatisation. Let us bring in private sector expertise, but Government protectionism is a very difficult arena in terms of regional international commerce. We have to be selfish and put in an element that will protect sugar-cane farmers and those companies even as we send them to the hands of private investors. Otherwise, as representatives of sugar-cane farmers, our hearts bleed for our people. May this really be an opportunity for us to start addressing the core factors that have kept this sector on its knees.

I hope, as I conclude, that this report and investigation into the mess at Mumias Sugar can be concluded the soonest possible so that this House can have an opportunity to make a contribution to find a lasting solution to what is bedevilling Mumias Sugar. By looking at what is happening at Mumias Sugar, we may just touch the nerve centre of the challenges and the real problems that have kept the sugar sub-sector on its knees.

Hon. Temporary Deputy Speaker, I support the Motion. Thank you.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you. Hon. Christine Ombaka, Member for Siaya County.

Hon. (Ms.) Ombaka: Thank you, hon. Temporary Deputy Speaker for giving this opportunity to contribute to this problem of the sugar industry. First and foremost, I realise that the five industries that we are talking about here come from one region. The decisions that we are going to make on the privatisation of that sub-sector must be efficient. We have to be sure that privatisation is going to work and that the region will not be economically disempowered. If we make any mistake in privatising this industry that is concentrated in one region, then that region is going to be disempowered. It is going to be the poorest area because those are the only industries that exist in the area. I am talking about Nyanza Province. There, we had the cotton industry, which collapsed and has remained collapsed to this day. Now, the surviving ones are the sugar industries which are actually showing signs of collapsing. Already, they have collapsed. I agree. The only way to salvage them is to privatise them. However, are we sure that privatisation is an answer? If it is, then, perhaps, we should give privatisation a chance.

In trying to privatise those industries, I would wish that the local people who have contributed a lot to the industry in terms of being farmers there should be sorted out. A lot of them are crying foul. They are crying that they have lost a lot. They have never been paid or reimbursed. They are actually poor because they were farmers.

In trying to privatise, it is important that we first consider their cases, ensure that they are refunded, paid back their money and then they will be happy to move on with privatisation.

It is unfortunate that Kenya is the way it is. We kill our own industries and then we begin to privatise them. You cannot import sugar when you know that you have sugarcane farmers in your country and you have industries that you need to develop. You cannot do that when you want to empower your people economically. To import sugar means that you do not have a single drop of sugar. That means that you now have to

import. But when you have land, resources, skills and farmers who have been there for many years and you want to kill the industry and then you talk about privatisation, then we have not set our priorities right.

In my view, we have played a lot with the sugar industry by killing it ourselves. Now we want to privatise it. We killed it simply by importing sugar from countries that are doing very well. Why do we not even learn how other countries have succeeded in the sugar industry? What have they done to make sure that they have enough to the extent that they can export? There are many countries that surround us and we see a lot of sugar and rice all over. We also have rice around Ahero and Embu. Some of these industries will collapse if we do not watch out. Importation is an area that we need to check. Why do we need to import? Why do we license importation of goods that we already have in our country, which we can develop, grow and expand?

I would support the Motion on privatisation only on condition that privatisation is going to benefit the people of this country particularly people from the region where the five sugar industries are situated. That is not a rich area. It is a poor area. They always say that bad politics killed the economy of the area. I do not know that. The only thing I know is that it is a poor region. Where these five industries are situated, people are poor. Now we want to privatise the sugar companies. They had a chance to improve their economy by improving the sugar industry. The Government needed to have invested in the area, shown some interest and developed it. In privatising it, we are likely to stand a chance or a risk of privatising an industry that will still collapse.

There is need to do proper investigation and study the industry better and find out why other countries that are exporting sugar are doing well. What makes them do so well? What is it that they are doing that makes the industry in their countries do so well? Why do we not learn from there and bring their skills and knowledge to our country to improve these companies?

I stand to support it, but I am very cautious and afraid because the decision we are likely to take is one whose success is still not known. Thank you for the opportunity.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you. I must also appreciate the Parliamentary sugar caucus from the Members in the House through the able Chair, Jared Opiyo.

Member for Kibwezi West, hon. Musimba. Hon. Members, we are all equal in the House. We also have to appreciate the caucus, regions and every Member and every participation. We have many Members of the caucus and Members who come here to represent the country and not specific areas. Hon. Patrick Musimba.

Hon. Musimba: Thank you, hon. Temporary Deputy Speaker for this opportunity. From the outset, I want to amplify what is in our Constitution, which is very well inculcated in Chapter Four on our rights. In this regard, more ably, is about our socio-economic rights. It is important that we think about the seven million Kenyans that exist within our sugar sector. As much as we are looking at writing off over Kshs40 billion, which has already been passed by Cabinet and proposals that went through this House, there are certain preambles which must exist. In listening to my fellow colleagues, the question is: Is privatisation foolproof? We must look for partners where we are going to think through management by objectives. This is ensuring that you have a functioning

sector that leans towards the labour force of this nation. It should be one that will grow and ensure prosperity for future generations.

Colleagues have spoken about issuing shares to people. They discount them because they do not see immediate benefits because social pressures such as school fees and high cost of living face these people on a day to day basis. That is why I am thinking about preambles, which are very well articulated in the report as the issues facing this particular industry. The main thing is in establishing a futures market. This would ensure that prices are locked in because production has been there consistently. We are aware of how much land mass we have and what sort of technologies would come through. This would ensure that our farmers and our greater populace would at any given point in time afford goods and services either as inputs towards continuing being farmers or their entire well-being in affording just their lifestyles as it were. These futures market would ensure that the 42 million Kenyans and even those external to our borders are actively participating in our sugar industry.

We would look at the basic infrastructure and echo things like the annuity programmes. The report ably states that one of the challenges is poor road infrastructure. If we go ahead and privatise these particular industries and we have not sorted out the infrastructure, the same entities are going to be bedeviled with the issue of poor roads. We should be thinking, as preambles, to sort out the infrastructure of getting the goods to market in a timely manner. We need to ensure that sucrose does not get lost at the farm level due to poor collection or turn-around times because of breakages of the cars that are being employed and deployed to these areas.

Electricity penetration is very important. Within these zones, we should ensure that farmers are able to tap into the latest technologies and use cloud-based systems that ensure that their rural-urban planning is adequately covered. I am looking at the issues of rogue management. If people inevitably do not have things like performance contracting measures, they will not perform. We spoke about the existence of corporate governance practices. This has to be locked into a realm of performance-contracting. That before a firm goes down, all the indicators are there, the shareholders are checking them and are strong as opposed to attending an annual general meeting and the people who are aggrieved have little voice in the direction of the firm. This is because the management is not sensitive or does not have appreciation of the heritage that seven million people are aggrieved with.

Then there is the issue of history. Our country is heavily based on labour practice. We must think about changing tastes and preferences within consumers. We must grow the cottage industry. What am I alluding to? The confectionary market in the world is really huge. Despite what the inputs of our sugar industry--- The cost of production right now is US\$1,100 per tonne against countries like Mauritius, which is at US\$230 and 240 a tonne because they have a massive number of acres of land under production. It could be the job of the National Assembly to aggressively look at our core industries as we seek to embrace industrialization. Our core companies employ a paltry 300,000 people. Our cottage industries employ in excess of two million people. Our industrialization policy needs to be very active towards growing these particular numbers in order for us to grow confectionary products, which have a niche through branding, different mixes and nutrition. The world right now is moving towards nutrition and saying that it is not only

about sugar and thinking about diabetes but what else can be derived out of these things. This would create a new edge and grow a very substantive base. Even if the imports exist, whatever we produce can partly be absorbed locally. Any excess can be packaged and exported at value addition prices.

Hon. Temporary Deputy Speaker, with those observations, I support privatization but we must think ably through this initiative prior to getting to the point of actually seeking the partners we are talking about and see how we can aid the infrastructure.

Thank you, hon. Temporary Deputy Speaker.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Yes, Member for Muhoroni!

Hon. Oyoo: Thank you very much, hon. Temporary Deputy Speaker, for giving me this opportunity to add my voice to this very important Bill.

For avoidance of doubt, I want to state to this House that this Bill is very sentimental to my heart because one of my predecessors was christened '*Bwana Sukari*'. In my constituency lies the biggest sugar industries until the so called "sugar daddies" came with their tools of trade and started dismantling them by bringing in cheap sugar and selling air to the so called "sugar industries". I have looked at this Report carefully. Yesterday I did not have enough time. It is good that I have had an altercation with my good friend and neighbour, the Chairman of this Sub-committee, hon. Benjamin Langat, when we mentioned one thing. However, that was on face value. I reacted when he said that Miwani Sugar Company could not be among the factories to be privatised because it had a court case. I dismissed and told him that Miwani Sugar Company had no known court case, and that the only court case was filed by some fraudulent Asian called Crossley, who purportedly bought huge chunks of Miwani Nuclear Estates in an auction that never was, using their powerful godfathers in the Government. They were charged by the then effective Anti-Corruption, headed by Prof. Lumumba. Against that background, this case went on but it has since been dismissed at the court of appeal. Therefore, there is no case on Miwani. I have looked at this document and while it is in my interest, I would want the farmers who are my constituents to benefit from sugarcane farming; and the workers to benefit from sugarcane milling, so that the economy can continue thriving very well through sugarcane business.

I have read a document which shows that on 9th January, 2013, Parliament resolved to postpone privatisation of various industries because certain mechanisms were to be put in place to take care of the county government's position, among other things. When I went through this document, I did not find anywhere showing that the county government has been involved. I am not for the county government. I believe that they have no value to add in this particular concept but privatisation was delayed to allow those who have conscripted this concept to bring on board the county government, so that they could be represented. Equally, I expected that leaders like me would be consulted. This was in 2013, after I had been elected to Parliament. If I had been consulted, I would have asked the authorities that we have public hearings. I would have taken them to Muhoroni for them to meet the farmers, get their views, put them together and see what to do. However, what I have seen here are escapist reasons and scapegoats rather than reasons. We are being rushed to privatise the sugar company because of the looming fall of the Common Market for Eastern and Southern Africa (COMESA) wall. The COMESA

wall will fall on 28th February, 2015. I do not know what miracle we are going to perform to complete the privatisation process before that date, which is only two days away.

There must be reasons why the sugar industry has not been performing well. One thing that attracted my attention was the suggestion that a giant, Chemelil Sugar Company, be merged with Muhoroni Sugar Company, so that they can be sold as one entity. I took my time to look at the whole document. I will deliberate more on Miwani, Chemelil and Muhoroni sugar companies. When I looked through the document, I saw that Muhoroni Sugar Factory, which is a fully-fledged sugar factory with a lot of employees and a lot of assets; was functioning well with receiver managers appointed by the Kenya Sugar Board but it is valued at below a billion shillings. The reason given is that there was no enough acreage of land and, therefore, it was necessary to merge the two entities into a vibrant sugar factory. I do not believe in that idea. Those who know Muhoroni Sugar Factory and Chemelil Sugar Company know that they have vast tracts of land.

We also know that during former President Moi's regime, political bigwigs were given huge nuclear farms that belonged to Muhoroni, which they are not using properly and which they did not pay for. Why would one undervalue the assets of Muhoroni Sugar Factory when politically-correct people during Moi's era took away huge tracts of land? That is why we are saying that this is technical. I have looked at the whole thing and I have not come to terms with it. It draws my attention to other fears; I have had some border skirmishes of late, which I cannot come to terms with. In my constituency, we border my friends from Sigowet/Soin. My constituency borders that of the Chairman of the Committee, hon. Benjamin Lagat. My constituency also borders the constituency of my good friend from Tinderet. Aldai is part of Muhoroni because Miwani is part of Muhoroni but there is a lot of influx of people from Aldai to Muhoroni. We have never had serious border conflicts but when I looked at this paper, it served as an eye opener to me - that, it could be one of the reasons why we have unnecessary border skirmishes. Maybe, someone somewhere wants to amalgamate Chemelil and Muhoroni. Muhoroni has been undervalued so that he can buy the two for a song. We have several members of the Luo community who have huge farms. The Omamo family is an example. The former Chief of Protocol of the Prime Minister, Mr. Caroli Omondi, bought a farm which used to belong to Mr. Abura, but he cannot set his foot on that farm because the rowdy Kalenjin youths have pitched tent there, and the Government of the day cannot remove them. I was wondering whether this was banditry or thuggery. What is happening?

Muhoroni Sugar Company is grossly undervalued at less than a billion shillings and they want us to pass this Bill in a hurry because the COMESA wall is going to fall. We need to do something to safeguard the interests of the farmers. Privatisation is the best alternative. I am for privatisation but in order for us to see this concept through, we need serious consultations. Farmers and the major stakeholders must be brought together, with the leadership of the county governments, whether we like them or not, so that we can agree on the way forward. As leaders, we must sit down and form committees that will vet the so-called strategic investors because they may not be strategic investors after all. We are waiting for them to come from outside but they may be some local political bigwigs who have collected a lot of money. During Moi's regime, they were called "sugar daddies".

When NARC took over they fled. Some of them went and stayed in Dubai. Now they have found room in the new Jubilee Government. They have come back quietly and are doing business. They are based in Mombasa. They are doing business in the names of different companies. They are supplying fertiliser through a company called Holberg. They are the people who are quietly importing sugar.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Order, hon. Member! Please let us remind ourselves of Standing Order No. 91(1). You should be responsible for the accuracy of the facts and do not mention names of others. Carry on you have only a few minutes left.

Hon. Oyoo: Thank you. When the time comes I will move a substantive Motion and I will mention them by names because I do not fear them. They are injuring the livelihoods of my constituents and I will not spare them. I want to say that this is a very good concept but not until we have sat down as leaders and we have agreed that this is the way to go. Treasury is rushing us. We need to meet the Cabinet Secretary (CS) for Treasury as leaders. The CS for Treasury should have met us as leaders from the sugar growing areas. The CS for Agriculture should have met us and taken our opinions. I could have given them my opinion if they could have approached me. One day they told me that I cannot do anything with Miwani land until I get permission from Crossley. I asked them: "Thieves who in any other country would be serving four years? They would be remaining with another eight years to serve 12 years in jail and yet you expect me to meet with them?" The Attorney General had to apologise to me and said he had checked and confirmed that the matter had ended up in court. Then I am wondering why up to now, the Director of Public Prosecutions (DPP) has not taken people like Crossley to court? I want to say that this is a good concept but it needs a lot of goodwill.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you. Your time is over. Hon Members, Standing Order No.91(1) says:

"A Member shall be responsible for the accuracy of any facts which the Member alleges to be true and may be required to substantiate any such facts instantly."

So, let us watch what we are saying. Let us continue. Let us have the hon. Member for Turkana Central. Let us hear about sugar.

Hon. Nakara: Thank you very much. I have just three points to make.

First, as much as we want to privatise, we must make sure that all the Chief Executive Officers (CEOs) and Directors of these companies who looted and made them go down on their knees are brought to book and repay the money to these companies or go to jail. They should not be given any other public office. If we leave them, it will be a habit. Everybody will go that way. Even if we privatise these companies they will still loot.

Secondly, as much as we want to privatise these companies we must also consider the human resource aspect. Privatisation will take new technologies to those areas. They may buy machines and that will result to some people losing jobs. So, when you are going to privatise, we must consider the people living in those localities. We must ensure that their capacity has been developed so that when private companies take over, they will get jobs there.

Another issue is about owning this land. We must give first priority to the people who come from those localities. This is because they are the ones who live nearby.

Whether they are poor or able to pay, we must encourage them to buy these pieces of land so that they can do business from those farms. If we allow outsiders to buy the land some local people will become landless. Some will have no place to stay and they will be poorer than they are now. So, as much as we want to privatise these industries, we must ensure that local people are empowered to own the pieces of land. Whether it is jointly by groups or collective funding, we must give them opportunity to own the pieces of land.

I am so happy that Members of Parliament are supporting this Motion on privatisation. Market matters a lot. When we privatise, these companies will look for markets outside Kenya. By doing so, we will have a lot of money coming in. However, we want to encourage people from those localities to market those products. For example, in Turkana we take tea in the morning at 10.00 am, in the afternoon and evening. Some people store tea in their thermos flasks. We want also Members from those areas to encourage their people to market their products. If we do not have a local market, that industry will not continue. Therefore, we want to challenge Members from those areas that they should get a market within the locals. This is so that even before they go to the outside market, the locals can be a market for their products.

Finally, the reason why we want to go the private way is because of service delivery. Any place that the Government is involved, everything is slow. So, people do not get services as required. Therefore, we encourage Members from those areas to support privatisation. At the same time we must allow them to talk and criticise this concept. We should not rush to privatise without taking their views so that they too can be part and parcel of the process.

With that, I support.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): You support. Thank you. Let us have hon. Mary Emaase from Teso South. Is she not in the House? For that matter let me give the opportunity to hon. Florence Mutua from Busia

Hon. (Ms.) F. M. Mutua: Thank you, hon. Temporary Deputy Speaker, for giving me this chance to contribute on this Motion. The sugar sector is currently facing many challenges and there is a very urgent need to save the industry. We have a lot of cheap imports coming in. The COMESA deadline is with us and it is a great concern to us Kenyans. I must say that I am a member of the Agriculture, Livestock and Cooperatives Committee. We have done a lot of work with regard to the Report that is related to the sugar sector. I must report that the Committee has taken a lot of time to finish this Report. This is because we had to interview many organizations. We have managed to get a lot of information. For our Report to be airtight we had to get a lot of documentary evidence. We already have the evidence. So, our Report will be airtight and it is going to give key recommendations on how we are going to save the sugar sector.

The Departmental Committee on Finance, Planning and Trade had given conditions that we have to put some legislation in order and that has been done. The Agriculture, Fisheries and Food Authority is already in place and privatisation can be looked at now. Before we even embark on the issue of privatisation, a lot of other issues need to be looked at. The sugar sector is suffering not because those organisations are not privatised but because of issues of cheap imports which are caused due to high production costs that affect our sugar industry.

We need to look into that first. Our Report has really covered a lot of these issues that our Members are discussing. It will be good if our Report comes next week hopefully because we are going for a retreat to finish it. After that we will be able to articulate issue by issue because right now Members are just talking about privatisation which is just one aspect that is affecting the sugar industry. We need fresh injection of capital for the poorly performing Government-owned mills. It is urgent and this issue needs to be looked at also, but before we do that we need to prioritise what those funds are going to do. We need to look at the people who are running those organisations so that any money that goes there is used well. .

We also need to have speedy exploitation of the viable options that we think the Ministry can fast track like the stalled privatisation of the five public sector owned sugar mills. This speedy exploitation will be very useful as we venture into privatisation.

Hon. Temporary Deputy Speaker, this will also contribute quite significantly to the long term revitalization of the industry by way of injection of the much needed capital and we estimated this to be around Kshs59 billion.

As I conclude, I have said that our Report has got very pertinent recommendations on all the issues affecting the sugar sector. I will not preempt. It will be very important that when we discuss the Report next week, all hon. Members who want to contribute to be present so that we can tackle one issue at a time. Before we embark on the privatisation, a lot of public participation and community engagement needs to be done. This is not something that will take place like what I have heard one hon. Member saying that we need to do it before the COMESA deadline. It cannot happen like that. It needs a lot of participation in the community because that is their land and we have to look at all those issues properly.

Let us not deal with one issue at a time but let us look at the whole sugar sector together. We have tackled that in our Report. Our Report is airtight, it is a good Report and it is going to guide the House even on issues of privatisation which we have tackled in the Report.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you; very well spoken.

Hon. Kobado: Thank you, hon. Temporary Deputy Speaker, for this opportunity. I want to start by saying that I do not think that this Government and the preceding governments are serious when it comes to matters of agriculture. The agriculture sector supports the livelihoods of approximately 25 per cent of the Kenyan population and in particular, the sugar industry plays a very significant role and contributes about 58 per cent of agriculture GDP.

I say so because I belong to the Departmental Committee on Agriculture, Livestock and Cooperatives. This morning we were discussing the Budget Policy Statement (BPS) for 2015/2016. You realize that the agriculture sector is allocated 2.6 per cent of the total Government allocation yet the sector contributes directly to about 25 per cent of national GDP. So we are not really being very serious when it comes to matters agriculture.

Hon. Temporary Deputy Speaker, when it comes to the sugar sector, it is on the verge of collapse and unless serious steps are taken, I think we will find ourselves losing quite a lot in this respect. This is because the sector supports about six million Kenyans in

terms of dependency in their livelihood. It also employs close to 300,000 Kenyans so the collapse of the sugar industry would kill one particular region in this country.

We have heard about the COMESA safeguard from 2004 up to this year. In 2004, we had some safeguard window for the Government to make and put in place some reforms. In 2008, it was the same; 2013 it was the same and this time round it is still the same. Why have we been having these COMESA safeguards? The reason is simple. It is for the Government to come up with comprehensive reforms to make the sector competitive. Some of the issues that they were supposed to address have not been addressed. One of them is to look at the cost of production. The cost of producing sugar in this country is double the cost of producing sugar in the region which does not really make us competitive. If you look at the factories, some of them are operating at between 55 per cent and 65 per cent of their capacity which means that they are under-producing. The factories have machines which are archaic; outdated machines and so issues of technology and modernization of the factories need to be looked at. The competitiveness of the product, sugar, is an issue and the corporate governance has been a very big issue in this particular sector.

On efficiency and productivity, these are some of the raft of issues that were meant to be addressed by the Government but it has not been done. So when we talk about privatisation, if you look at some of those factories you want to privatise, it is like taking a sick cow to the market to sell. It will sell at throwaway prices and in that way farmers will stand to lose quite a bit. Privatisation is the way to go and I would strongly support it because the world is heading there. The Government should not be in business and more so the business of production. The Government should be in the business of serving citizens; not in the business of manufacturing and competing with the private sector. So privatization is the way to go. However, privatisation may not be a panacea to the problems that the sector has been facing. There is a lot more that we really need to look at to ensure that when we privatise, these factories are going to survive and be profitable.

Hon. Temporary Deputy Speaker, if you look at success cases, we do not have success cases to learn from. Mumias Sugar Company is a very bad case to look at if we were to really go by cases to learn from. The Kenya Co-operative Creameries (KCC) is another case. You remember the time the Government was taking over KCC, its value was Kshs5 billion and the Government of Kenya bought it for a meager Kshs500 million and now we are shifting back to sell KCC back to the farmers. As we are considering privatising the five State-owned sugar factories, we really need to do it in a manner that will involve the farmers, the out-growers, so that it becomes participative and the process becomes all inclusive so that all the key stakeholders should be involved.

We are aware that agriculture is a devolved sector. Since agriculture is devolved, as we are considering selling some of these factories, there is need to involve the county governments. They may not be having the capacity but there is need to ultimately make sure that they also participate in the process of consultation and the process of coming up with a formula to sell off these sugar factories. As we are considering selling the five State corporations that are in this sector, we need to look at what kind of assets we want to dispose. There are two aspects to this: We have the fields and we have the factories. The fields are the land. Considering a factory like SONY where more or less 60 per cent

of the farmers that take their sugar to SONY come from my constituency, the land is seriously undervalued if you look at what we have in the Report. The land is seriously undervalued and even the factory itself is undervalued. That is one sugar factory that is performing. That is the only sugar factory that is profitable. As we are considering the process of privatisation, this thing needs to be done sequentially. It needs to be done with an arrangement such that we give it time so that we involve public hearings. We can have conferences and we can have written submissions from key stakeholders.

The other issue that we need to deal with is corporate governance because as you privatise you can consider privatising in two areas. You can privatise the management of an enterprise and leave the assets intact. If management is the problem we can consider that. There is concessioning which has also succeeded in other areas like Brazil and so all these need to be put into account.

There is need to have shareholding negotiations so that we look at the ratios that they are proposing here. For example, if 49 per cent is supposed to remain with the national Government, this can be converted into trust land so that we only sell the factories. The whole area might eventually become an industry. The factory itself can run the way it is and the whole area at the end might become an industry, so that we diversify and get other products that will be coming from the raw material; sugar-cane. There are so many things we can do. We can use the bagasse to produce electricity.

I support this process, but it must be given time. It must be all inclusive. We should all participate, that is, the out-growers, farmers, employees and the county governments. We need to sit down and negotiate the process afresh.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you, hon. Member. Next on my request list is hon. Gideon Ochanda, Member for Bondo. We have 14 requests and I can assure you, given the time we have, every Member will speak. This is a good debate. We are adopting the Report on the Privatisation of the Public Sector Owned/Controlled Sugar Companies by Chairperson, Departmental Committee on Finance Planning and Trade.

Hon. Ogolla: Thank you, hon. Temporary Deputy Speaker. In the interest of time and of many Members who want to speak on this, I want to support this begrudgingly on a number of fronts. One, it is because it is the only last resort that the sub-sector is left with. This sub-sector is dead at the moment, but the very final nail that is going to be on the sub-sector is this process of privatisation. If we miss it, we miss the whole thing.

Secondly, it is indicated in the Report that Parliament has been on the way of privatisation. I want to support this: That, Parliament should not be really on the way of getting this passed. It is indicated in Part Four of the Report that it is only Parliament that is being awaited so that we move on. There is a schedule for the purpose of implementation once Parliament adopts or accepts this Report. If one takes time to look at Part Four of the Report, there is a timetable where there are a lot of questions that we really have to look at. The schedule is on how the process of privatisation is supposed to go.

Thirdly, I am very certain that we have quite a good amount of sugar in the high seas or it has already landed. This is because we are waiting for the three or four days for the COMESA date to elapse. However, this has largely been because of the Government. The Government has procrastinated for a period of time. For the fourth time now we are

asking for extension and we might be viewed as a country that does not look at where others are going. This procrastination has to come to an end. Before the privatization takes place, and by the time the COMESA date comes to an end next week, definitely, there will be sugar in this country. This is exactly where we have to be very careful in terms of how we want to run this industry. There will be no production because all the factories are going to close. As much as they are talking about some levels of production at the moment, they are going to close because the amount of sugar that we are going to be getting after 28th February, 2015 is massive and cheap. So, death is imminent. With all these in mind, I think that the best thing that we need to do as Members, and particularly Members from the sugar-cane growing areas, is to move fast and engage. Otherwise, we are going to privatise the Mumias way and there is enough caution.

In the Report, there are quite a bit of caveats that have been mentioned. With regard to those who appeared before the Committee, there was a research team from the House; a team from Treasury; and another team from the Privatisation Commission. Each one of them has indicated some element of caution that needs to be looked at. As we go through the process of privatisation and as we make the initial steps towards doing this, there is enough caution that we have here. There are cautions that have been brought up by Members of Parliament in their contributions. The main thing that we need to look at is the position of the sugar-cane growers. This is the most fundamental thing. We must get a strategy of regrouping them, especially with the background of the challenges that Mumias had. We know that Mumias had all manner of small shareholders and at the end of the day they could not be grouped together to make serious decisions. We could adopt a strategy that dictates that if we are to privatise we have to buy shares. We could group the small farmers or interests into a big one so that we are able to consolidate some of these shares into some kind of big hands.

Another caution that is more serious is that the Government needs to know that it has a number of interested parties within it that need to pick these shares or buy these firms. This must be looked at against the valuation process of these factories. So far we have indication that they are undervalued. It is unfortunate that the Public Procurement and Assets Disposal Bill passed the Second Reading just the other day. We will be a little safer if we looked at it through the process of serious valuation in terms of the actual value of these factories. This will, obviously, include land and all those things that have been mentioned.

Hon. Temporary Deputy Speaker, let me give the chance to others. *Asante sana.*

The Temporary Deputy Speaker(Hon. (Ms.) Mbalu): Hon. Antony Kimaru, Member for Laikipia East, the Floor is yours.

Hon. Kimaru: Thank you, Hon. Temporary Deputy Speaker. Although I do not come from the sugar-cane growing region, as a Member of the National Assembly, I should be able to contribute to this particular Motion and the Report that is before the House.

First and foremost, governments, the world over, have not been good managers of business. We have examples from within this country: The Kenya Posts and Telecommunication Corporation; the Kenya Cooperative Creameries (KCC); the Kenya Farmers Association (KFA); and the Kenya Power and Lighting Company (KPLC). Remember when the business of spreading electricity was left to KPLC we never had a

lot of electricity reaching the people. The reason is that Government is not very business-minded. It is not motivated by that particular aspect of trying to maximize profit and reduce costs. Government, any time, is a spendthrift and is good at spending money. When it comes to business, the Government will not spend money in the best manner possible.

With regard to electrification, when private entrepreneurs were allowed to do this, they did it efficiently. If you were to rely on KPLC to have electricity brought to your house, it will take dog years. When you have a private contractor doing that, he will want to do it in a day and get done with it. When you look at KCC it never functioned. Talking about the KFA, you would never have seeds and fertilizers on time and nobody would really care. Today, as we speak, I had an opportunity to try and rehabilitate boreholes in my area. If you are to use Government agencies, it would cost you three times more what it would cost you were you to engage a private entrepreneur. Do you think you are cutting costs using Government? People ask for large allowances! An operator will ask for Kshs7,000 per diem and make sure that it takes forever to do that job. The same kind of job is done by private people in the shortest time possible. When we look at privatisation, it might be a blessing in disguise. Let us not worry that privatisation is coming because with it we will have efficiency and farmers will be paid on time. With the coming up of Brookside and other companies, rarely are farmers not paid on time. So, we have to cut this cycle of delayed payments, inefficiency and mismanagement. When we look at Government corporations, what ails us the most is our own doing which is corruption. It is a fact that people who have been managing these companies were involved in the importation of cheap sugar.

They repackaged it, sold it and became billionaires overnight. They have been in cahoots with traders in the sugar industry and when sugar was produced in the industries it was being sold at throw-away prices. They would also cut deals outside. So, let us not talk of these industries being the main problem. The management has been the problem. Even the political will has been lacking. I do not think a few commoners out there can steal billions without anybody seeing them or taking note. It means that the loot has been shared across board. People have been made to keep silent because they are beneficiaries of this corruption. So, privatisation might be the panacea for these ailments that afflict the sugar industry.

I also believe that innovation is the way to go. If other places are growing sugarcane varieties that mature within six months or thereabout and we are still relying on sugarcane varieties that take about two years, something is wrong. We also need to diversify our businesses so that we do not only produce sugar. There are other by-products that can be produced and make this industry more profitable. In terms of technology that is used, we also need to embrace new technology. I do not know how much electricity the sugar companies produce. That is also another avenue.

When something does not really work as the sugar factories do today, you must do something. The sugar companies have so far accumulated losses to the tune of Kshs58 billion. If it was your own business, you would not allow it to continue. You make losses year in, year out. It is like a bottomless pit that is not about to fill any time soon. You are in quick sand and yet you continue digging and falling deeper and deeper into debt. It is about time this thing was fixed once and for all.

When we privatise, those people who will come into possession of these companies will ensure that they are profitable. There is also a way to make the local community benefit. Local communities can organise themselves into cooperatives and buy shares. By so doing, we will have wealth distribution. If there are profits to be made by these factories, that extra wealth that is created through value addition and maximisation of profits will still come back to the local people.

There is a good thing in continuing to have the sugar industry. Today, as we have been told, close to seven million Kenyans depend on the sugar industry. I do not know how accurate that information is, but I think quite a number of Kenyans depend on that industry. So, even as the Government is privatising, it is incumbent upon it to ensure that the local people are taken care of. You do not just privatise and the sugar industry is killed in one day. Safeguards must be put in place to protect the industry. It is an important industry that serves so many Kenyans. It would make a lot of economics nonsense if we were to stop producing sugar altogether only to import. Even if subsidies were to be used, those entities ran and the common *mwanaanchi* benefitted by selling sugar, it would be fine. That is if that was the only economic activity they would carry out. However, it is also good to look at alternatives. Are there other alternatives that are more profitable? I heard a Member mention dairy farming. Is it an alternative in the long run? I know it cannot be done overnight. Can we look at that as a possible alternative in the long run?

I support, hon. Temporary Deputy Speaker. Thank you very much.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you. Hon. Wafula Wamunyinyi, Member for Kanduyi Constituency. Use the next microphone. Where is your card? Use the next microphone.

Hon. Wamunyinyi: Thank you very much, hon. Temporary Deputy Speaker, for giving me this chance. I have waited patiently so as to express myself on this Report. I have a personal interest as a farmer. I represent cane farmers and Nzoia Sugar Company is in my constituency. Ninety per cent of my voters are cane farmers. I appreciate contributions by Members. Some make very good contributions. If they understood and put themselves in my shoes, they would be reluctant to support this Report in the manner in which it is proposing to privatise sugar companies.

If you look at page 12 of this Report, the last two sentences of paragraph 6(vii)(a) on the restructuring of sugar companies, balance sheets point out that:-

“The write-off approval was granted by Parliament in January 2013. However, the Government has not executed despite Parliament’s approval.”

That was the Tenth Parliament. Go further and look at the attachment at the back of this Report. It is a certificate by the Clerk of the National Assembly clearly stating that on 9th January 2013, this House approved Sessional Paper No. 12 on write-off of excess Government of Kenya debt owed by the public sector-owned sugar companies.

In view of this and because of the fact that the Government selectively wrote-off the debts owed by other sub-sectors such as coffee, tea and pyrethrum and left out the sugar industry, I am convinced that this is being undertaken in bad faith. Our farmers have not been adequately consulted.

Secondly, if you look at Page 13 of this Report, which is on the strategic partnership, it recommends 51 per cent of shareholding to go to the strategic partner. While we appreciate that this will give comfort and confidence to the investor, surely, as the producers of the raw materials and the owners of the land on which these factories are located, this will not be fair. For instance, close to 14,000 acres of the Nzoia Sugar Company belonged to the people of Bungoma. This is ancestral community land. I can assure you that if anybody came from anywhere and thought that he was going to take that land, he will not take it. Forget it! Over our dead bodies! You will not get it. I know this is what you are looking for. I am very disturbed that the process is going on without us; the stakeholders, the people who own and produce cane being consulted. If you want to sell the machinery and equipment in those factories, simply go ahead and sell them, but we will not allow you to sell the land. We will not allow you to take the land. Nobody will be allowed to take the land.

Cane farmers have not been paid. We have complained time and again and this is because of the Government's mismanagement. It is the Government that is responsible for the losses. The Government is responsible for the mismanagement of these companies. It is not the farmer or ourselves but the Government. When we complain, no action is taken. Who is importing sugar? Who authorises the importation of sugar? Is it not the Government? Who issues permits and licences for the importation of sugar?

The people who are responsible for the mess in the sugar industry are well known to the Government of Kenya. We are taking this very seriously. You can understand that I am passionately attached to the cane industry. I have been responsible and I have even brought legislation to this House in the past. I was personally responsible for the introduction of the Sugar Act, which came to the House as a Private Member's Bill. This Act introduced reforms in the sugar industry, which were never implemented by the Government of Kenya even after the law was passed.

Now, you just want to bring this privatisation process and you take away the land, I can assure you that we will not allow you to take it. Sell your machinery and equipment, but you will not take the land in Bungoma.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you for the passionate speaking. Members, we are really doing well. Hon. James Nyikal, Member for Seme. I think this is also a Member of the sugar sector parliamentary caucus.

Hon. (Prof.) Nyikal: Thank you, hon. Temporary Deputy Speaker. Hon. Wamunyinyi has brought out the role. The sugar industry is the mainstay of the people of the region where sugarcane is grown as bad as it is. Huge tracks of land are in the hands of those companies. People cannot even produce food. We also know that there is a huge unsatisfiable market of sugar yet these companies cannot make profits.

We are saying that there is high cost of production and poor management. The truth is that the people involved are corrupt. The feeling that corruption is in Government and not in the private sector is a fallacy. The biggest enterprises before Independence, the Kenya Railways and even the public transport in this city, were actually partially owned by the Government. Even in the developed world, there are certain industries that the Government must have a stake in; for example, public transport. So, we must not run away from our responsibility of fighting corruption and put things in the private sector. However, there is one thing we must realise. Even if they succeed, will the people of

Kenya benefit? Kenya is very rich now but the majority of Kenyans – over 50 per cent – are poor. This is because we think privatisation will cause the trickle-down effect. It does not get to the people. When I went to university, I did not pay school fees but the per capita income of this country was lower than it is now.

The per capita income is now higher but we cannot even pay school fees for our children because we have put everything in the private sector. The companies are heavily indebted. We are not asking ourselves what went wrong. Some of the people who managed these companies are in high positions in Government. We are failing to address corruption. We are saying modernisation will be expensive but now we are in a grave situation. The COMESA protection is actually gone. So, we have to look back. We are talking about privatising yet since the law was enacted in 2005, nothing has happened.

In the sugar industry, we have two examples. Mumias Sugar Company was privatised. We are being told that it was privatised in a wrong way. Today we read in the newspapers that the people of Mumias are suffering. We are saying, just revive that one alone. Will it give the answer? Last week I was at Kibos Sugar Company. It is private. I have been there twice and it is not paying farmers. Look at this one, in terms of the equipment and the land, the land belongs to the people and what is proposed now is that there is nothing being sold other than the land. Do you want people from other places go there and buy those large tracks of land?

The best way to go round it is to first fight corruption as a country. Secondly, we must recast this Report in such a way that the people from those areas can own those factories even if it is through cooperatives. Giving 51 per cent of the shares to a strategic investor and giving only 24 per cent to the people in a manner that is not organised will cause problems. I have difficulty supporting this privatisation in the form that it is now. We must go back and look at it in terms of the equipment and the land that is there, and in terms of participation and ownership by the people in those areas.

Thank you, hon. Temporary Deputy Speaker

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): The next chance goes to hon. Mbadi.

Hon. Ng'ongo: Thank you, hon. Temporary Deputy Speaker. First, I was asking myself why it was necessary for the Government of Kenya to get into the business of sugar production in terms of ownership of the companies and sugar factories. I see a number of reasons, which I agree with, given in the Report. One of them is to reduce pressure on foreign exchange by minimising import or import substitution, job creation and to improve local supply of sugar. However, there is one fundamental issue that we need to address. The issue is that governments are not supposed to be in business of running commercial ventures and enterprises. In order to be serious all over in the world, governments just need to provide a conducive business environment for the private sector to invest and run their investments in more productive, economically efficient and effective ways.

Trying to hold back and cling on these factories thinking that Government will wake up one day after a lot of noise and change the way it does things, and make these companies profitable is overstretching our imaginations. It is right to think towards privatisation of the sugar factories. Five of those factories are listed in this Report.

Whichever the problems we may be having with those private companies, to me the best way to go is to have commercialisation of sugar production by private hands.

As we move towards privatisation, I agree with my colleagues especially those who have opposed this Report and more particularly hon. Nyikal, hon. Jared K'Opiyo and Kobado. I also listened to hon. Onyango K'Oyoo who painfully argued like one who really represents sugar farmers. I agree that something drastic needs to be done if we are going to privatise these sugar factories. We need to see who is going to buy them because this is the elephant in the room. I hear that some people who are supposed to be the strategic investors are the ones who are already championing this notion that is put in the Report that Chemelil Sugar Company and Muhoroni Sugar Company should be merged to increase the acreage. I think there is something sinister in this proposition or proposal. Why do we add together the 18,000 acres and 22,000 acres to arrive at an arbitrary figure of 29,000 acres? We are being told that, that is the required acreage. Where is that report showing us that the break-even-crushing capacity is supposed to be 29,000 acres?

I think what we have witnessed in the sugar industry is indiscipline from the part of the Government to protect this very important sector of the economy. We know the people who import sugar into this country even when we produce enough of it. We know very well that the Government has not been giving these companies and factories enough support to be able to compete with other players including those who are importing sugar into this country. This industry has been the source of wealth of some senior people not just in the Government but also out of it. We know that getting into this sugar business or importing sugar is almost impossible because it is a cartel. I am told that you can even lose your life if you dare do it.

A lot of things go wrong in this sector and privatisation is a good step but not the only way to solve the problems in the sugar industry. My proposal to this House, therefore, is to support the privatisation but also look at the sugar industry in totality and address the factors that are ailing it. Hon. Nyikal has just mentioned the issue of Mumias Sugar Company (MSC), which is in private hands yet it is still struggling. Mumias Sugar Company is struggling because of greed and corruption by certain specific individuals who are known and have made money yet Kenyans are glorifying them for being wealthy.

You know one thing that I find very strange with Kenyans is you know thieves, they steal from us; they steal from poor people - these farmers are very poor - and after they have stolen then what you do is that you start glorifying them. You start telling people these are wealthy people and you start accepting them.

Hon. Temporary Deputy Speaker, the moment Kenyans will stop accepting contributions whether charitable from corrupt individuals in this country; the moment we go on strike not to allow ourselves even to associate with these people; we will help ourselves. But here is a case where you find Members of Parliament - I am not casting aspersion on anybody. If I am representing farmers in this country and these farmers are suffering because of hon. Waweru - please allow me to use your name although I know you have no interest in the sugar industry. If the same hon. Waweru who is making my people suffer is also my friend and he steals money--- If, for example, my fishermen in Lake Victoria are suffering yet I allow the person who is making them suffer do a

fundraising in my place, it is immoral even on my part as the representative of the farmers.

One thing that I also would not like to see, and with all due respect to other colleagues of mine who come from probably some parts of this country I may mention, is a situation where after selling these factories, they are relocated, the sugarcane is grown in Nyanza or in Western and transported all the way to another section of this country, say Central. For example fish comes from Lake Victoria but it is transported all the way to Thika for value addition. We would not want like to see a similar thing happening in the sugar industry and it is likely to happen. It is likely to happen because the way this privatisation is going to be rushed, chances are that the people who are going to buy these factories are people who may not even maintain them. In fact hon. Angatia you should be so worried that our people are going to lose these factories.

I remember the cotton industry; the ginneries. They were sold out. The people who bought them transported them elsewhere. I do not know where they went and that led to the collapse of the cotton industry. I hope someone is not playing games to crush the economy of Nyanza and Western region by proposing this privatisation. I hope it is with good intentions because it has been acknowledged in this Report that over six million Kenyans directly rely on this sector. I hope and I want to repeat, I hope someone is not on a scheme to destroy the economy of Nyanza and Western because if you finish the sugar industry then you will finish the economy of Western and to a greater extent also of Nyanza region.

I support the Report but I expect that a lot is done in terms of consultation moving forward.

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): I want to give one minute to hon. Member for Navakholo and this Report will be debated in the next sitting. Hon. Members, I must say, have a lot of interest in this Report because it is affecting our country. It is a Report to adopt the privatisation of the public sector-owned or controlled sugar companies. I have ten requests. Hon. Member, you have a minute and you will have your time in the next sitting too.

Hon. Wangwe: Thank you, hon. Temporary Deputy Speaker, for giving me this opportunity to air my views on this very important discussion. From the outset, I want to take the position that I support the privatisation of these mills. I support because the process that was undertaken in the first instance where Mumias Sugar Company was floated on the Stock Exchange without the various sectors being consulted has given an opportunity to explore and now understand that privatisation is going to move from the unknown to the known. When you look at the millers that have been proposed---

ADJOURNMENT

The Temporary Deputy Speaker (Hon. (Ms.) Mbalu): Thank you, hon. Member representing Navakholo Constituency. You will have nine minutes in the next sitting to debate this. Hon. Members I must appreciate the requests by hon. Melly, hon. (Ms.) Otucho who is not present in the House, hon. (Dr.) Simiyu, hon. Tonui and hon. (Ms.) Kanyua from Nyeri. This debate will continue in the next sitting.

The time being 6.30 p.m., this House stands adjourned until Tuesday, 3rd March, 2015, at 2.30 p.m.

The House rose at 6.30 p.m.