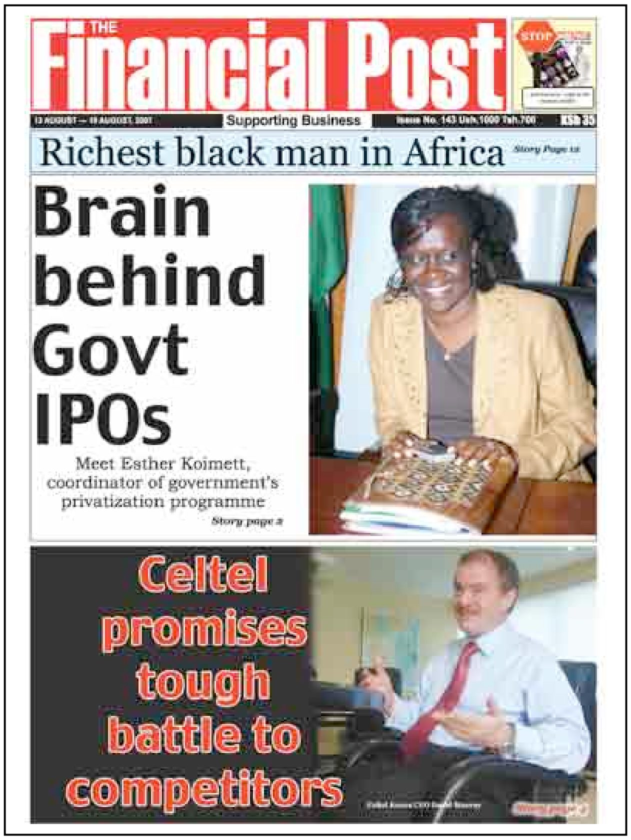

THE Financial Post

Supporting Business

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Brain behind Govt IPOs

Meet Esther Koimett, coordinator of government's privatization programme

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Celtel promises tough battle to competitors

Most influential woman at Treasury

By Staff Writer

She is one of the most powerful and influential women in the civil service. This is because of the billions of shilings under her docket and the task of selling off commercial parastatals to both local and international investors.

She will definately impress you by her simplicity, dedication and the strong bond this lady has with her work at the Ministry of Finance-the financial nerve centre of the Kenya Government.

At 51 years old, Esther Jepkemboi Koimett, is currently serving as an Investment Secretary in the Ministry of Finance.

In a long career in the public service, the self-effacing Koimett has previously served as Managing Director, Kenya Post Office Savings Bank.

She is in charge of public enterprises and has ably represented the PS, Ministry of Finance, as a Team Leader for various privatization transactions including the Mumias Sugar Co. KenGen, and concessioning of the Kenya and Uganda Railways.

Koimett has also been awarded the Elder of the Order of the Burning Spear (EBS) for her distinguished and dedicated service.

She runs a high-profile department whose brief is to clean up the balance sheets of state-owned corporations, negotiate with strategic investors and the sale of government owned equity in these companies to the public through the stock exchange.

Following the offloading of shares in KenGen, Kenya's largest power generation utility company, the government's privatization program has been on a roller coaster.

In various discussions, it comes out in each of the sentences she makes. Koimett speaks passionately about her experiences and long hours spent at the treasury, spearheading the government's ambitious privatization program.

She singles out the privatization of Kenya Railways as one of the most challenging yet and the long hours she spent to bring the various interested parties to a concession agreement that saw certain aspects of the rail operations in Kenya and Uganda taken over by the Rift Valley railways consortium.

It was definitely a learning and deeply rewarding experience for Esther who had to work together with her counterparts in Uganda to make the joint concession deal fall through.

Koimett also has a lot of praise for the staff at the treasury for making her work easier and fulfilling. She defies the commonly held myth that the civil service is for lazy and unproductive persons who are not able to make the cut in the competitive private sector arena.

"We have been lucky to have had a supportive PS Joseph Kinyua and Minister both of whom have always facilitated us when we require help especially wherever we had issues to resolve. They have also given good quality control of the process," explains Esther.

She attributes this to the fact that when one is negotiating contracts on behalf of the government, care is observed because the private sector will always present positions that will only enrich their side.

"So it becomes your responsibility to negotiate for a balanced contract that does not pass risks to the government except the political risks which cannot be handled by the private sector," she says.

During the 2007/08 financial year, the government has revved the privatization engine and intends to sale its stake in a number of strategic parastatals and commercial enterprises in which the government has a stake.

Against the backdrop of a Kshs 109 billion budget, the largest in the country's financial history, the government is under pressure to speed up its privatization plan to raise cash to finance part of this deficit.

Already, preparations are underway for the sale of Telkom Kenya shares to a strategic partner. The process has been completed and request for proposals have already been sent out to prospective investors.

The government will be selling off 51 per cent share of its stake in state-owned national operator Telkom to a strategic partner, then float a 30 percent stake.

Esther, who is the government's privatization co-ordinator, says that the winning bidder in Telkom will not pay for a licence, which will be awarded ahead of the sell-off.

She has also said that South Africa's Telkom, France Telecom, British Telecom and India's Reliance are some of the companies that have already shown interest in placing bids for the company. The new strategic investor at Telkom Kenya is expected to be known by early November this year.

The Kengen IPO, undertaken last year, is billed as one of the most successful floatation exercise in all government divestiture programs.

The Government intends to offload more shares to the public through a secondary offer but will only do so if it is satisfied that the market price reflects the fundamentals of the company and that the taxpayer will get fair a return.

In addition, the government also intends to sell part of its shares in cellular phone company Safaricom through an initial public offer (IPO) on the NSE. The Safaricom IPO which is expected to be the main event this financial year, is expected to raise some Ksh 35 billion to the exchequer.

Top on the agenda also is National Bank of Kenya which the government holds a key stake through the National Social Security Fund (NSSF).

The aim of the government's privatization program is to raise more financial and management resources from the private sector through privatization. In this regard, the investment office has been instrumental in putting in place the necessary framework to allow government participation in the stock exchange.

This is to allow it take advantage of favourable market conditions to offer shares in already listed companies without necessarily having to go through a second offer.

At the end of last month, the government offloaded some 240 million shares through an IPO, in a sale that is expected to raise Ksh 2.3 billion for the exchequer.

At stake in the privatization plan for this financial year is Ksh 38 billion to be raised from sale of government shares in Safaricom, KenGen, Telkom Kenya and National Bank of Kenya (NBK).

"The proceeds from the equity sale in Telkom Kenya is still unknown because we still have to open the bid envelopes and find out what the bidders are offering. Further, the Safaricom sale has to first undergo a valuation process together with having a full subscription before we can raise what has been planned," says Koimett. Esther is humbled by the simple fact that bestowed on her is the opportunity to negotiate on behalf of government in the privatization process. She often avoids putting the tax payer into contingent liabilities.

The challenge is when things go wrong, she admits. For example, she vividly remembers one incident in the railways concession. It was the day the deal was to close. However, the money agreed did not come through and one of the partners threatened to pull out. Treasury officials had to quickly intervene and sort it out.

She can only wrap it up and say: "A transaction is a product of very many people including line ministries. It takes collective effort to succeed. This way the transaction can be fairly transparent."

Public enterprises on privatization queue

Esther discloses that a number of commercial parastatals are slotted for privatization. Some of the government family jewels set to come into the market is Telkom Kenya and Safaricom Limited. Already, Kenya Re has been brought into the market with initial reports indicating that the offer was oversubscribed." We are now working on the allotments and refunds before we can move to Telkom and Safaricom, which is expected onstream before November this year, she adds.

On Telkom Kenya, Koimett says that the government intends to bring on board a strategic equity partner, who will operate the company together with the government before Telkom can meet listing requirements.

The government also intends to offload its shareholding in Nzoia, South Nyanza (Sony) and Chemilil sugar companies. In addition, the government also plans to revamp Miwani and Muhoroni and then sell them off to private investors.

According to Kenya's vision 2030 economic plan, the country's infrastructure has been singled out as most critical in achieving the envisaged growth targets.

At present, the infrastructure is in government hands. Thus, privatization in the infrastructure sector is being undertaken through concessions or private-public-partnerships like built-operate-transfer (BOT).

Explains Koimett: "Take the case of the port of Mombasa, whose facilities are overstretched. What is actually needed is to invest in construction of another container terminal. Similar investments are needed in airports and other coastal ports as well as in the power sectors."

In the tourism industry, those hotels run by Kenya Tourism Development Corporation (KTDC) including Sunset Hotel in Mombasa, Kabarnet and Mt Elgon Lodge as well as Kakamega hotel should be privatized.

"Within these government-owned companies, there is a lot of work to be done. This is why we need to form a Privatization Commission to operationalize the Privatization Act," says Koimett.

The long-awaited Privatization Commission is expected to be established by the end of this year. This body will have overall responsibility for asset sales, concentrating decision-making in one place, a reform that is in line with IMF recommendations. The objective of this commission is to institutionalize transparency and accountability in the privatization process.

Challenges

One of the most daunting challenges facing the investment secretary's office is staffing. As a department within the Ministry of Finance, the investment secretary does not have enough capacity to handle all its responsibilities. Esther says that this is the reason that a privatization commission needs to be in place, from where the department can anchor its activities.

She believes that with the commission in place, her office's oversight role over the parastatal sector will be efficient. For instance, the department will be able to analyze returns, performances and annual reports for all state corporations.

"That way, if things start going wrong, we can be able to know about it and sound the alarm," she says.

Most state corporations have the PS-Treasury as a shareholder representing the government.

Other challenges that Koimett has had to face up to include the fact that most privatization processes are complex and take long to conclude.

For instance, the concession process at Kenya Railways begun in 2002 and was only concluded late last year.

She says that a state corporations advisory committee has been in existence under the state corporations act. One of its key contributions has been a proposal that CEOs of State Corporations should be competitively hired.

The other major milestone is the introduction of the performance contracts between the parastatal boards and the parent ministry.

Today, these boards are more accountable and have to deliver.

Change of government

T*he Financial Post* sought to know if change of government will push the state corporation's reforms back to zero. Esther was categorical that that is unlikely to happen.

If anything, she says, "the economic recovery strategy and the pillars upon which its success is pegged are stable. These include economic growth within a stable macroeconomic environment, equitable distribution of equity as well as governance. They are all laid down structures which remain operational even if there is a change of government."

Esther reveals that there are institutions that have been established which go beyond the government of the day. These include Kenya Anti-Corruption Commission (KACC), the Public Ethics Act, and other legislation to govern financial management, public audit and procurement.

She is also confident that with the institutional and legal framework in place, these initiatives will be dealt with irrespective of the government in place.

On the other hand, Esther believes that with a free media, no government can be snub implementing what has worked before.

"Even as politics go on, the business community is busy doing what they know best and life goes on. If anything, Kenyans have already matured as a country and even if another government comes to power, it will not reverse the gains so far made," she declares.

"After all, it is in the interest of everybody including the incoming government to look successful. Kenyans can only be bullish about the future," concludes Esther.

Celtel promises tough battle to competitors

By **Guchu Ndung'u**

With an impressive record and competitors on his neck, David Murray, the globe trotting CEO of Celtel Kenya has his work cut out. But he is no stranger to competition.

For when Murray was appointed the CEO of Wataniya Telecoms in Kuwait, this market was dominated by Mobile Telecommunication Company (MTC), which was then a monopoly in Kuwait.

But in a space of three years, the upstart Wataniya telecoms had curved up 50 per cent market share from MTC.

Incidentally, David is now working for the company he almost upstaged in Kuwait. He is currently the Chief Executive Officer of Celtel Kenya, which is part of the MTC group.

And the CEO is promising competitors a tough battle while assuring customers of exciting times.

"We are going to see a new Celtel.I think even for the first time, our competitors are having real competition," says David who has worked in 11 countries and visited 69 others.

It is not surprising then that when he jetted into the country in December last year, he launched what was termed as revolutionary in the market; a tariff that offered a flat rate cost to all networks at Ksh 16 and off peaks at Ksh 12.

The move was seen as Celtel's stab at the low end of the market, ending an elitist tag that had dogged the company since its inception in 2000.

Though cagey on figures especially those about the company's bottom line, the Celtel CEO reveals that the company has recorded a growth of more than 50 percent since the end of last year.

Celtel Kenya made a Ksh 2 billion pre-tax profit in 2005, an improvement from the Ksh 1.8 billion loss in 2004.

"On profitability, we are ahead of our budget. But we are a private company and cannot reveal that," says the CEO.

David adds that with Kenya's mobile phone penetration estimated at only 20 percent, the company is aiming to get a bigger slice of the unserved market.

Last year, mobile phone subscription grew by 36.5 percent from 5.3 million in 2005 to 7.2 million subscribers by end of 2006.

As part of its restructuring process, Celtel Africa's office will be based in Kenya, comprising of all staff for the African region.

In 2005, when MTC acquired Celtel International, MTC's head office was in Kuwait and Celtel's in Amsterdam.

Celtel Worldwide's office will now be based in Bahrain and the Africa office in Nairobi. It will beef up the more than 800 Celtel Kenya employees in the country.

But David will need all the tricks in his 'how to survive a good competitor's book.'

Locally, the company will have to cope with a resurgent Telkom Kenya and a determined Safaricom, two of its major competitors.

Infact, for the better part of this year, these three telecommunication companies have been upstaging each other to the glee of the customers.

The most recent spat involved the launch of the blackberry, a device that combines mobile telephone with data services like instant E-mail.

While Safaricom announced its launch; Celtel followed with an announcement of the product in the market a week later. The CEO tries to put the matter to rest.

"When our competitors Safaricom launched, ours was working. When they were launching, you could not make voice calls as you would be charged roaming services.Celtel had it on pilot basis with our corporate customers."

Both mobile companies had a unity of purpose when in early June they urged the government to scrap the 10 percent exercise duty, complaining that Telkom Kenya was offering the same service but did not pay the duty.

Local calls attract a Value Added Tax (VAT) of 16 percent and 10 percent tax on air time. The regulator further levies a 0.5 per cent tax.

Telkom Kenya on the other hand insists that their Telkom wireless device is not a mobile phone as it currently uses the CDMA technology while mobile phones use the GSM technology.

"The customer does not mind which technology is being used as long as the device is mobile. We would want a scenario where none of us pays that tax. But if that is not possible, Telkom Kenya should also pay the excise duty to level the playing ground," says Murray.

Last week, it was revealed that Telkom owes the Communication Commissions of Kenya Ksh 3.8 billion for the mobile license fee.

The CEO adds that for every Ksh 100 a consumer purchases in airtime, Ksh 26 goes to the government in taxes.

"For every 10 percent increase in penetration there is a 0.9 increase in the GDP of the country. These taxes are inhibiting the growth of the sector," says David, an architect by training.

The CEO offers that both CCK and the Minister for Information and Communication Mutahi Kagwe are on agreement that the playing field between Telkom and mobile companies is unfair, no step has been taken. David however expects the situation to be corrected by the end of this year.

The company put East Africa on top of the communications map when it launched the world's first 'One Network'- a service that allows Celtel subscribers to enjoy services in three east African countries.

This network has since expanded to include six other countries.

"The difference is that in a roaming service, the recipient pays for the call. But in one network, they do not. Our subscribers also top up their phones in other countries because we have the same Erickson technology in the three countries," says David.

Celtel recently launched Mambo Six, a 'party tariff' that is aimed at the young, outgoing niche market. Recently, it was readjusted to 10 pm from the previous 11 pm commencement time.

"About 60 percent of the people in Mambo six joined when we launched in 2006.It is becoming one of the most popular tariffs."

The most popular he says are the recently launched Uhuru and Umoja tariffs.
Apart from competition the CEO acknowledges that Celtel's major challenge has been to manage change.
"We have changed ownership three times and this comes with a change of culture. However, we are now focused and going forward."
Born in the United Kingdom over 50 years ago, David got in the telecommunication business 20 years ago when he joined the first mobile company in the country.
David, whose wife is from Chile, has worked in almost all the continents after joining the Kuwait Company in the late 90's.
That is when he led a company in taking on MTC, who later recruited him to come and head the operations of Celtel in Kenya. So, what perception did he have about Kenya?
"I did not have any. I have lived in many countries and thus I know there is no perfect place. Every country has its strengths and weaknesses."
Adorning a flowing moustache, Murray comes across as a humorous one liner dropping CEO. For instance, upon asking about his management style, he retorts;
'It is appalling," before he adds "I do not believe in top down management because I do not know all the answers. I should not. I am people centric and team centric. Give people space to work and they will."
David reveals that unlike other companies that are planning to outsource their customer care centers, Celtel is investing in a technology that will be capable of even handling calls outside Kenya.
The CEO does not reveal the amount or timeframe that Celtel will invest in the technology.
However, he adds that the company is seeking a presence throughout Africa and with 15 countries in its bag, the future looks promising.
"This is part of MTC's strategy. The first three years is to become regional, by six years international and then global. They have done the six years in four years. All the operations in the Middle East will change to one name."
His one liner continues when we asked him about his hobby.
"I spend my time with my family and also play golf once in every five years."
Maybe he is exactly what the company needs; a humorous CEO with a knack for competition.

Giving businesses a sigh of relief

By **Guchu Ndung'u**

Although he does not have an office, Mutunga Katia enjoys the services of a secretary, messenger, the internet and a host of other services.
Infact, when meeting his clients, he swings in the corporate chair of the boardroom, ushering each guest with the confidence and mastery of an experienced executive.
All this services are courtesy of a business centre.
Modeled on the incubator concept, business centres are now offering entrepreneurs a chance to have an 'office' and enjoy services like the internet and telephone at a fee.
Most of these business centres have their offices are structured in a cyber café manner.
They are to the financial sector what exhibition stalls are to merchandisers; offering starts ups and micro firms an avenue to prove their worth.
"We targeting people who require an office but cannot afford one due to the escalating costs," says Caroline Gioko Mburu, the founder of Brighton Business centre.
Established after she lost her job and witnessing the lack of space her former colleagues were experiencing, Brighton is one of the many business centres currently sprouting within and outside the precincts of Nairobi's Central Business District.
The fee charged by these business centres range between Ksh 5,000 to Ksh15, 000 depending on their location, services offered and the different packages provided.
In the CBD, *The Financial Post* pointed out over six business centers located along several addresses including Avenue Park, Hazina Towers, View Park among other buildings in town.
According to Joe Wakaba, founder of Professional Solutions Centre, the upsurge in the number of business centre is due to the booming economy which is churning out an entrepreneurial culture in the country.
"Then we have an influx of young guys who have skills in the provision of difference services and only need the infrastructure to work. They get it here," says Wakaba.
Indeed, a cross check among centres like Brighton, Genius Executive Centre and Professional revealed a healthy mix of companies offering different services including financial and Information Technology.
"These guys do not sell physical goods and so they do not need to be in a stall. What they are selling is manpower and all they need are a few services to complement what they already have," adds Wakaba.
But their similarity ends there. Business centers are as different as their locations.

For instance, a number of business centres are offering clients office space complete with unlimited internet access, office landline phone, messenger and a secretary but without a computer. Clients are supposed to bring in their own computers.
"Different professions will need different machines to run their tasks. There are those who prefer to use laptops so that they carry their work home, especially in the evening," says Caroline of Brighton, who has invested Ksh 1.4 million in the centre. At Professional solutions two packages are offered, namely a work station and meeting space. Under the work station package, a range of services are offered including unlimited access to the internet and a computer among others. As per the other package, a client has all the services except internet services.
At Genius, there is a package offered at a cost of Ksh 3,000 for those who need to use office space for only two hours per day. Harry Karanja, one of the founders of this business centre, offers that some Ksh 4 million has been pumped into the outfit which commenced operations in 2005.

Con men
This noble concept, while it has made life easy for bubbling entrepreneurs, has also attracted the wrong kind of crowd. This includes typical run-on- the-mill fraudsters, who rent these office spaces with the aim of swindling unsuspecting members of the public.
A recent incident took place at Genius where 'an entrepreneur' set up a ponzi scheme, popularly known as pyramid schemes. After collecting money from the unsuspecting public, he then 'died'.
"When we called him, a person who answered the phone told us he had died," recalls Harry.
The fellow was later spotted in crisp clean suits in town a few months after his 'death,' whirling is time away at local hangout joints.
Caroline of Brighton also had a similar encounter with cops recently when an 'entrepreneur' purporting to be a recruitment firm collected cash from the public. He was later arrested. "Currently, we require a client to sign a legal document, containing a disclaimer that we are a separate entity from the housed client," says Caroline.At Genius, the bar is even higher. Prospective clients are expected to provide details of their companies as well as dress in a 'presentable and decent manner.'
Agents who spoke to this publication disclosed that the existence of these business centres is overstretching building facilities and creating a security nightmare especially for those building that keep surveillance of people coming in and out of their premises.
"One of the clients in a business centre may be seeing three or four visitors at a go. If we have 40 such entrepreneurs, facilities like lifts become overstretched and keeping records of visitors become a nightmare," says a property management agent who requested anonymity. Entrepreneurs housed in these business centers have to compete for facilities like the boardroom, especially when meetings coincide.
But it is 100 times better than operating in hotels. Infact, this is the way to go," says Mutunga.

Conference tourism continues to attract increased revenues

By Mwangi Maingi
The last twelve months has been a period full of activities for Kenya's tourism industry.
Conferences and their bookings have been the order of the day for many hotels and tour companies in the country.
Among the events that have already taken place in Nairobi include the Youth Entrepreneurship Summit and the Africities 4 Summit. Both events attracted more than 10,000 delegates to the city.
Others have been the International Parliamentary Union (IPU) conference, in May this year and the media conference, meeting that combined business and pleasure, defining a new form of tourism that is fact catching on in Kenya.
A relatively new concept, conference tourism is a niche market sub-sector that revolves around service provision to business travelers attending seminars, workshops, conferences and conventions. In the recent past, huge numbers of interest groups have been traveling to various destinations to attend global meetings.
According to the CEO of Maniago Safaris Duncan Muriuki, conference tourism is the largest and fastest growing segment in the modern tourism sector. It has a higher financial impact because business travelers spend more than leisure travelers. The travelers' expenses are paid for by the organizations they represent, leaving these tourists with substantial disposable incomes that they can be spend on the side.
His company, a leading travel and tour firm was involved in organising the Africities (African cities) Summit, one of the most significant conferences to come to Kenya this year.
Worldwide, this tourism sub sector nets $672 billion (Ksh 44.352 trillion) annually, of which Africa's share is 10 per cent. Africa accounts for two per cent of the global conference tourism market share.
According to the International Congress and Convention Association (ICCA), the sub-sector regulator, it is also estimated that the growth of conference tourism will double by 2013, with a predicted growth rate of four per cent per annum in the coming years.

According to ICCA figures, there were approximately 5,315 conferences of a large magnitude in 2005, with Europe accounting for 58 per cent of the market share.

Though Asia followed Europe with a huge dividing margin at 18 per cent, it is worth pointing out that the continent recorded the fastest growing figures, thanks to the rise in importance of the free port city of Dubai as a conference tourism destination.

The fame of Dubai is attributed to the rise in importance of Asian tiger cities. North America countries like Canada and the US has a share of 10.5 per cent while South America held on to seven per cent against Australia's four per cent as Africa trailed with a paltry 2.5 per cent or 132 meetings.

Recognizing the importance of conference tourism, the apex organisers of the Africities Summit, the United Cities and Local Governments of Africa (UCLGA), have so far held stakeholders workshops to discuss strategies through which African cities can reap from the meteoric rise in conference tourism.

"Dubai is the classic case of focusing on conference tourism as an area of potentiality. Over a short period, international level conference facilities have come up in Dubai and coupled with a no-holds-barred marketing blitz, this has led to many world organizations opting for the United Arab Emirates city for high powered conferences", Muriuki says.

He says that Mombasa city is ideal for holding large meetings because it already has sufficient bed capacity augmented by a warm climate and a variety of tourist attractions. "The missing link for Mombasa is that it lacks international level conference facilities that can cater for thousands of delegates," he says.

Underscoring South Africa's leadership of the conference tourism sector, he points out that Cape Town, Durban and Johannesburg are the leading attractors of business meetings thanks to their superior conference facilities in addition to aggressive marketing.

"One of the main planks in Nairobi's stature as a conference tourism destination is the Kenyatta International Conference Centre, which has magnificently improved under the leadership of its current managing director Philip Kisia," he points out while vouching for KICC to be taken on board during tourist promotion fairs abroad.

Out of the 2.5 per cent of Africa's share of the global conference tourism, South Africa had a clear lead according to last year's figures that placed the country at 43.8 per cent or 56 meetings. Egypt is number two on the continent with 15 large meetings accounting for 11.7 per cent of the continent's total. Morocco came third with 11 meetings that translate to 8.6 per cent while Kenya is ranked fourth with eight international scale meeting accounting for 6.3 per cent.

"Kenya improved from position five in 2005 to number four in 2005 and has great potential for moving up the ladder if a strategic plan is mooted and implemented to specifically train focus on conference tourism," Muriuki says.

He points out that conference tourism involves other sectors of the economy stationery providers, translators, food and catering service providers, drivers and many more. Also benefiting from conferences are suppliers of equipment such as overhead projectors, photocopiers and various ICT services.

However, there is need to change from the past trend. This is where rather than various organizations handling disparate issues appertaining to the conference, one company is given the leeway to synchronize the entire conference.

This includes foreseeing challenges in air travel arrangements, tracking down the movement of the delegates, ensuring a soft-landing reception for the delegates and being on hand to meet the needs of the delegates throughout their stay.

The destination management company also undertakes exclusive ground handling, transportation logistics, negotiation of flights and accommodation, and overseeing dinners, safaris and excursions.

'Keiyo North has high poverty levels'

Keiyo North Constituency is located in the arid and semi arid parts of Kenya and is one of the poorest in the country. The poverty level here is high with majority of people having no formal education. The area MP Lucas Chepkittony spoke to *The Financial Post* on several issues in the constituency. Below are excerpts of the interview:

Q.What has been your experience in Parliament?

A. Well, quite challenging and demanding both in the house and the constituency level.

I have learnt alot, especially while working for various parliamentary committees. The challenge in parliament has always been meeting the people's expectations.

Q. What are some of the achievements you have made for the people of Keiyo constituency?

A. I have managed to unite a people that were once divided. In the education sector, we have allocated 50 per cent of CDF money to primary schools to be used in the building of classes. In secondary schools, we

have also put up laboratories, dormitories, classrooms, libraries and administration blocks, depending on the need of the schools.
This has made the level of education in the area to improve. We have been able to replace a number of classes made of mud with concrete ones.
We have been allocating between Ksh 200,000 and Ksh 300,000 to a primary school depending on its needs. For secondary schools, the amount is slightly higher with a minimum of Ksh 500,000.
The main challenge we are facing is lack of teachers. We are now holding fund raising functions in order to hire and pay for our own teachers.
Another priority area that we are concentrating on is health. We have already put in place facilities are various health centers and dispensaries. Already, a number of maternity wards have been constructed in various health centers. We have also opened up six dispensaries, expanded some of the health centers and stocked up medicine and other supplies in these facilities.
The provision of clean water in the area is yet another priority that we have been able to cater for. We have built water dams and reservoirs to tap rain water to be used for cultivation because the constituency is a semi arid area. Most of the water projects are not funded by CDF due to limitations of this fund. However, the Ministry of Water has come in to support us and have dug three bore holes in the constituency. We have also strived to complete a number of stalled projects that had been abandoned.

Q. What are other projects that you have initiated with the CDF funds in the constituency?
A. We have funded the rehabilitation of the area's road network to make them more accessible.
Through CDF, we have initiated electrification projects in the area in partnership with UMEME Pamoja Initiative.
What we have done under this project is to purchase transformers for the residents. The project aims to light up schools, market places and provide electricity for domestic use.
If we get power in the schools, our students will be computer literate. We shall also be able to pump water and drill more boreholes.
We have also revived a number of cattle dips in the constituency so as to improve our livestock breed and control of diseases.

Q. The government has revived the Kenya Meat Commission and Kenya Cooperative Creameries so as to improve incomes of livestock farmers. Has the effect been felt in your area?
A. The impact of KMC has been minimal because most livestock farmers in this area operate on a small-scale basis. Further, what we need is for the government to provide livestock inspectors so that the residents can improve on their breeds. I confident that we can supply more animals to KMC if livestock farmers are supported. We are now trying to improve our animals by interbreeding. This is the way forward.
However, we still lack adequate Artificial Insemination officers to advise farmers on how to improve their animals. Already, the Ministry of Livestock and Fisheries has provided extension officers in the areas. But we still need to educate the farmers and increase supply of pesticides to control animal diseases which is our main challenge.

Q. The school drop out rate for girls has been high in Keiyo North. What are you doing about this?
A. We have provided a platform for parents, teachers and other stakeholders in the education sector, to come in and discuss these issues. We have also been facilitating seminars and workshops to sensitize the public on the issue so that parents can understand why education is a necessity to their children.
Through these two methods, the situation is improving.

Q. Keiyo North is one of the poorest constituencies in the country. What are you doing to reverse the trend in poverty levels?
A. The poverty level in the constituency stands at 60 percent. The constituency is subdivided into two parts, the highlands and lowlands. The highlands area is a pyrethrum growing area, where the activity is undertaken on a small scale. The lowlands were previously occupied by cotton growers, although this industry has now collapsed and is showing little signs of being revived.
The constituency has been lagging behind because key economic activities, including cotton growing has collapsed. Pyrethrum growing is also affected by the huge debts owed to farmers. Residents here now rely on animals for dairy and beef products from animals that are not of high quality. There is need to introduce other crops in the area, including horticulture crops, passion fruits, potatoes and tomatoes. Farmers also need to form co-operatives in order to improve their incomes and fight poverty.

Q. What are some of the contributions that you have made in Parliament?
A. I have participated in the formulation of the Cotton Bill which seeks to put in place structures to promote development of the cotton industry in Kenya, including election of a cotton board. I have also been pushing

for structures to govern operation of cotton ginneries as well as regulations to govern buying and selling of cotton.
As a member of the finance, tourism and standing order committees, I have been involved in a lot of parliamentary work.

Q. How do you gauge the performance of the NARC government?
A. This government has achieved much. But for rural dwellers, the improved economy is yet to reach them. Free education in primary school is one success story for this administration. But again, the government needs to employ more teachers. A lot has also been done in other areas including improvement of roads and the tourism industry.