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Giumbi

REPUBLIC OF KENYA



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TENTH PARLIAMENT – FOURTH SESSION - 2012

Mr. Speaker Sir,

REPORT OF THE

JOINT COMMITTEE ON

ENERGY, INFORMATION AND COMMUNICATIONS  
AND  
EDUCATION, RESEARCH AND TECHNOLOGY  
ON THE

STATUS OF THE SAN MARCO SPACE APPLICATION CENTRE IN MALINDI

CLERK'S CHAMBERS,  
PARLIAMENT BUILDINGS,  
NAIROBI

SEPTEMBER, 2012

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## LIST OF ACRONYMS AND ABBREVIATIONS

ASI	- Italian Space Agency
BSC	- Broglio Space Centre
CCK	- Communications Commission of Kenya
CDA	- Coast Development Authority
CSR	- Corporate Social Responsibility
CLTC	- China Satellite Launch and Tracking Control General
DoD	- Department of Defence
ECS	- Extended Continental Shelf
EEZ	- Exclusive Economic Zone
ESA	- European Space Agency
EU	- European Union
FKE	- Federation of Kenya Employers
GoK	- Government of Kenya
IGAD/ICPAC	- Inter-Governmental Authority and Development/Climate Prediction and Applications Centre
IOC	- Intergovernmental Oceanographic Commission
JKUAT	- Jomo Kenyatta University of Agriculture and Technology
KCSE	- Kenya Certificate of Secondary Education
KMA	- Kenya Maritime Authority
KMFRI	- Kenya Marine and Fisheries Research Institute
KPC	- Kenya Power Company
KSA	- Kenya Space Agency

MCH/FP	- Mother Child Health/Family Planning
MFA	- Ministry of Foreign Affairs
MoHEST	- Ministry of Higher Education science and Technology
MoU	- Memorandum of Understanding
MISHDP	- Malindi Integrated Social Health Development Programme
NASA	- National Aeronauticals and Space Agencies
NCST	-National Council for Science and Technology
NSS	- National Space Secretariat
OPM	- Office of the Prime Minister
PS	- Permanent Secretary
RCMRD	- Regional Centre for Mapping and Resource Development
RSC	- Remote Sensing Centre
RSRS	- Resource Survey and Remote Sensing
TSC	- Teachers Service Commission
UN	- United Nations
UNESCO	- United Nations Educational Scientific and Cultural Organization
US	- United States
RCMRD	- Regional Centre for mapping of Resource for Development
UoN	- University of Nairobi

## PREFACE

Mr. Speaker Sir,

It is my honour and pleasure to present to this August House, the report of the Joint Committee on Energy, Information and Communications; and Education, Research and Technology.

Mr. Speaker Sir,

On Wednesday April 18 2012, the Hon. (Dr.) Wilbur Ottichillo M.P asked an ordinary question to the Minister of State for Defence in the House concerning the status of the San Marco Space Application Centre in Malindi. In particular, Hon. (Dr.) Ottichillo wanted the Minister to explain:-

- (a) Under what conditions the Kenya Government entered into an agreement with the Government of Italy to establish the San Marco Space Application Centre at Ngomeni in Malindi in 1964 and provide an update on the current status of the centre, its future plans and programmes and also explain why the agreement was executed by the Department of Defence;
- (b) What the Centre has been used for and how much money the two Governments have earned from the partnership venture to date; and
- (c) Whether he could provide the names of Kenyans employed in senior management positions at the Centre as well as the names and qualifications of space scientists from the Ministry.

Mr. Speaker Sir,

Following intense interest and debate on the matter by the House, the Deputy Speaker directed that the question be referred to a joint Committee of Energy, Communications and Information; and Education, Research and Technology to investigate the issue in order to put

to rest the concerns of the House. The Deputy Speaker further directed that the Hon. Eng. James Rege, MP and Hon. (Dr.) Wilbur Ottichillo, MP be co-opted to the joint Committee owing to their expertise in the subject matter.

Subsequent to this ruling, the joint Committee held a meeting on Wednesday 2<sup>nd</sup> May, 2012 to deliberate on its programme of business.

*The membership of Joint Committee is listed in the report*  
Joint Committee composition

The Joint Committee comprises the following Members:

1. The Hon. David Koech, MP ✓ - Co-Chairperson
2. The Hon. (Eng.) Rege, MP ✓ - Co-Chairperson
3. The Hon. Maina Kamau, M.P.
4. The Hon. F.T. Nyammo, MP
5. Hon. John Dache Pesa, MP
6. The Hon. B.C. Muturi Mwangi, MP
7. The Hon. Muhamed Sirat, MP
8. The Hon. Shakila Abdalla, MP
9. The Hon. David Njuguna, MP ✓
10. The Hon.(Dr.) Wilbur Ottichilo, MP
11. The Hon. Alfred B. Odhiambo, MP
12. The Hon. (Dr.) Joyce Laboso, MP
13. The Hon. (Eng.) Nicholas Gumbo, M.P. ✓
14. The Hon. Ekwere Ethuro, M.P
15. The Hon. Cyprian Omolo, M.P
16. The Hon. Aden Duale, M.P
17. The Hon. Emilio Kathuri, M.P
18. The Hon. Joshua Kutuny, M.P
19. The Hon. Edwin O. Yinda, M.P ✓
20. The Hon. (Prof) Phillip Kaloki, M.P
21. The Hon. Adan Keynan M.P



#### Joint Committee sittings

The joint Committee held a total of 9 sittings and received oral and written submissions from the following stakeholders:-

- i) The Minister of State for Defence;
- ii) The Minister for Higher Education, Research and Technology;
- iii) Mr. David Andere, Retired and former Permanent Secretary for Foreign Affairs,;
- iv) Mr. Evans Mukholwe, Retired Director of Meteorological Department;
- v) Mr. Francis Wangusi, Ag. Director of Communications Commission of Kenya (CCK);
- vi) Prof. Malo-Otieno, University of Nairobi (UON);
- vii) Dr. Farah Hussein, Director General, Regional Centre for Mapping of Resources for Development (RCMD);
- viii) Management of Coast Development Authority (CDA);
- ix) Management of Kenya Maritime Authority (KMA);
- x) Mr. Alberto La Bella, Deputy Italian Ambassador;
- xi) Dr. John Njoroge Kimani, Ministry of Defence;
- xii) Col. Joseph Mwai, Ministry of Defence;
- xiii) Capt. Andrew Nyawade, Ministry of Defence.

The joint Committee also toured the San Marco Space Application Centre (both land and sea segments) in Ngomeni, Malindi and some of the development projects in Malindi funded by the Italian Government.

## SUMMARY OBSERVATIONS, FINDINGS AND CONCLUSIONS

### (I) Benefits of San Marco

During the inquiry, the Committee heard that the geographical position of San Marco Space Application Centre on the equator is strategic and of great significance in the field of space science. The Committee also heard that the benefits of San Marco included use of data collected in areas such as meteorology and remote sensing; financial benefits from third party users; training and employment of Kenyans among others. The Committee established that the data collected has not been shared with Kenyan institutions and that payment from third party agreements had not been received by the Government.

- i) The Committee observed that San Marco Space Centre is underutilized and has not been of great benefit to Kenya considering the data collected has not been shared with Kenya and used to benefit the country in areas such as education, research, remote sensing,

meteorology and maritime security among others. Further, no funds collected from third party users have been remitted to the Kenyan Government.

- ii) The Committee further observes that the amount of data being collected from third party entities was colossal and Kenya was bound to lose both financially and technologically if they continued to relegate the administration of the facility to the Italians.

## (II) The Agreement between the Kenyan and Italian Governments

The Committee heard that the bi-lateral agreement between the Kenyan Government and the Italian Government first signed in 1962 was last renewed in 1995. The 1995 agreement expired on 14<sup>th</sup> March, 2010 and was extended until December 31<sup>st</sup> 2010, June 2012 and again until June 2013 as negotiations for the new agreement are taking place.

- i) The Committee notes with concern that the Italian Government was not honouring some of the Articles of the 1995 agreement. These include:-

- Article VI (1) which states that use of the San Marco facilities by third parties (any other Government or agency except the Kenya or Italian Government/Agency) shall be given prior written approval by the Government of Kenya. Further Article III (7) states that the Government of Italy shall remit to the Government of Kenya fees by third parties for the use of the station at the rate of 70%.
- The Committee observes that the Italian Government had not remitted any funds accrued from third party agreements since 1995. This is despite the use of the facilities by other space agencies such as the CLT from China. The Committee further notes with concern that despite third party agreements requiring prior approval of the Kenyan Government, the Government was not able to determine how many third party agreements existed and therefore how much had been earned so far. The Committee therefore observes that considering the space industry is a multi-billion industry, the country could have lost taxpayers money earned from third party agreements.

- ii) Under Article III of the 1995 Agreement, it is the responsibility of the Italian Government to train four (4) PhDs, twelve (12) Engineers and twenty four (24) technicians Kenyans in space science technology. The Committee however notes with concern that only five (5) Kenyans have been trained so far out of which only two (2) are working at the San Marco Space Application Centre.

### (III) Ministry in charge of the San Marco Space Applicants Centre

The Committee learnt that the San Marco Space Application Centre is coordinated by the Ministry of Defence as the lead Ministry as authorized through a Cabinet directive.

- i) The Committee notes that various stakeholders/experts in the industry felt that it was not necessary for the Ministry of Defence to take up the lead role in the co-ordination of the project considering the project was to be undertaken for peaceful purposes thus the security aspect was minimal.
- ii) Though the Committee appreciates that other countries with launching centres have the Ministry of Defence manning them, the Committee notes that the Centre would be more beneficial to Kenya if it is mainly used for civilian and not military purposes.
- iii) Further, the Committee notes that the centre was established for research and technological growth of the country as well as data generation for meteorological purposes which were peaceful purposes. The security reason cited for placing San Marco under the Defence docket is therefore not viable considering the last time rockets were launched was in 1988.
- iv) The Committee also notes with concern that the operations of the Ministry of Defence are usually opaque and shrouded in mystery and it may therefore restrict accessibility of information by civilians and other public agencies.

### (IV) Policy and legal framework

- i) The Committee notes with concern that despite the Space Centre being in existence since 1964, the country lacks policy and legal framework to provide guidance in matters of space science technology. The Committee finds that this may have slowed the development of the country in space activities.
- ii) The Committee however observes that the Ministry of Higher Education, Science and Technology is currently developing a National Space policy and National Space Bill but feels that the process has taken a long time to be complete.

### (V) Employment and remuneration of Kenyans

The Committee was informed that out of the two hundred and forty (240) Kenyans employed at San Marco, only four (4) of them are in managerial positions.

- i) The Committee observes that there are very few Kenyans in managerial positions at the Centre and that this may compound the fact that the centre is managed under opaque circumstances and that no information is shared with outsiders.
- ii) The Committee further observes that the Centre is not able to attract qualified Kenyans in space science due to the low and uncompetitive remuneration offered at the Centre. The Committee further observes that the Italian scientists at the Centre are paid more than the Kenyan Space scientists and Engineers. The Committee finds this remuneration discriminatory considering the centre is located in Kenya.

#### (VI) Access of information from San Marco Space Application Centre

- i) The Committee observes that information gathered at the San Marco Space Application Centre would be beneficial to the country especially for meteorological and maritime surveillance as well as disaster management and land use mapping.
- ii) The Committee however notes with concern that this information gathered at the San Marco Space Centre is not shared or availed to Kenya.
- iii) The Committee further observes that Kenyan institutions such as universities and other research institutions are also not able to access information from the station which could be compounded by the fact that the Italian government was running the station with little involvement of the Kenyan employees in managerial positions.

#### (VII) Development Projects

Under the joint agreement between Kenya and the Italian government, KSh. 240 million was committed for Corporate Social Responsibility (CSR). The Committee toured some of the projects and observes that:-

- i) Some of the projects were of low standards and were over quoted.
- ii) The management of the projects was participatory as there was no coordinating committee involving all key stakeholders in the identification and implementation of the projects.
- iii) During the inquiry, the Committee was informed that the Ngomeni development projects will be up scaled through a loan of Ksh. 600 million from the Italian Government. The Committee is however deeply concerned that the Italian Government

will be funding the projects through a loan as opposed to a grant thereby further increasing the tax burden on Kenyans.

## SUMMARY RECOMMENDATIONS

1. The Government should enhance its oversight role in ensuring that the San Marco Space Application Centre maximizes its presence in Kenya in the enhancement of the Government's development agenda in education, research, communication and information. The Kenyan Government should be involved both at the technical and managerial levels to ensure sufficient supervision of operations and management and maximum utilization of benefits at the Space centre.
2. The new San Marco agreement under review and all future agreements should be approved by Parliament in line with the Constitution 2010. The new agreement should correct the anomalies existing in the previous agreements and ensure it includes among others:-
  - i) Joint management of the facility;
  - ii) A clear framework for third party agreements and signing of third party agreements in the presence of the Kenyan Government;
  - iii) Provision for employment of Kenyans in senior managerial positions;
  - iv) Enhanced capacity building of Kenyans in space science technology;
  - v) Sharing of revenue gained from commercial services provided to users of the centre;
  - vi) Technology transfer and increased access to data collected;
  - vii) Use of satellite technology to address climate change, environmental risk factors and security; satellite based research; and
  - viii) A clear exit strategy in the likelihood that Kenya would like to manage the San Marco Space Application centre independently.
3. A proper framework on third party usage of the station should be formulated so that the Kenyan Government will be aware of the third party users of the station and how much money is earned from these third party agreements. Further, the Kenyan Government should ensure that it is present at the signing of all third party agreements.
4. Considering the importance of San Marco Space Application Centre to space science technology in the country and its establishment for peaceful uses, the National Council for Science and Technology under the Ministry of Higher Education, Science and Technology should take a lead role in the management and coordination of its activities.

Other Government Ministries including the Ministry of Defence should play a supportive role in the management of San Marco activities.

5. The Kenyan government should take an interest in the data/information gathered at the centre and ensure that this data/information can be accessed by its agencies, Universities and other institutions for use in research, education, disaster management, land use/land cover mapping, meteorology and maritime surveillance among others.
6. The Government should ensure that qualified Kenyans are competitively recruited in senior managerial positions at the Space Centre and offered competitive remuneration and requisite benefits. The management of the centre should ensure that they adhere to the labour laws with regard to employee matters.

#### ACKNOWLEDGEMENTS

The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the necessary support and services extended to the Committee to execute its work.

As Co-Chairpersons, we must thank Members of the Committee for their patience, sacrifice, and hard work despite their other commitments and tight schedules, in their endeavor to deliberate on this matter.

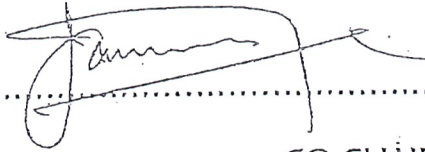
We must also thank the staff of the National Assembly for their steadfast support to the Committee.

Mr. Speaker, Sir,

On behalf of the joint Committee, we now have the honour and pleasure to present the Report and Recommendations to the House.

Thank You,

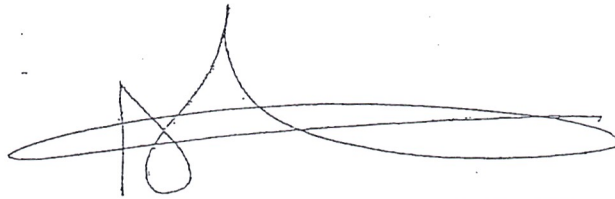
Signed .....



CO-CHAIRPERSON

(HON. JAMES REGE, MP)

Signed .....



CO-CHAIRPERSON

(HON. DAVID KOECH, MP)

Date: .....

10/09/2012

## CHAPTER ONE: INTRODUCTION AND BACKGROUND

### 1.1 INTRODUCTION

The San Marco project was initiated in 1962 by an Italian retired General of the Air Force, Professor General Luigi Broglio of the University of Rome, La Sapienza. This was followed by the signing of a bilateral agreement in 1963 between the University of Rome on behalf of the Government of Italy and the Royal Technical College, (University of Nairobi) on behalf of the Government of Kenya. The agreement was reviewed between 1983 and 1986 and a new one signed on 1<sup>st</sup> April, 1987. It was last renewed in 1995 for a 15 year period.

The San Marco project has the sea segment and the land segment. The sea segment is equipped with launch facilities able to accomplish orbital and sub-orbital (sounding rockets) launch for scientific payloads from the off-shore platforms. Twenty seven (27) rockets have so far been launched successfully. The land segment supports launches and the other Broglio Space Centre (BSC) activities. It consists of the ground stations for satellite data acquisition and tracking, remote sensing centre, meeting and training centre and logistic facilities.

The project is currently operating under the 1995 agreement that has been extended until June 2013 as negotiations for the new agreement are taking place. Through a cabinet directive, the Ministry of Defence was put in charge of coordinating San Marco activities on behalf of the Government of Kenya. An inter-ministerial Committee oversees the implementation of the agreement and represents the Government in the negotiations. This Committee comprises the Ministry of State for Defence; Ministry of Higher Education, Science and Technology; Ministry of Foreign Affairs; State Law Office; Ministry of Lands; Communication Commission of Kenya; Kenya Civil Aviation Authority; Department of Resource Surveys and Remote Sensing, Kenya Meteorological Department; and Jomo Kenyatta University of Agriculture Science and Technology representing the Universities.

The benefits expected to be derived from the Centre included training of Kenyans on space technology, employment, use of the data for education, research, remote sensing, meteorological purposes, maritime surveillance and telemedicine among others. The centre currently has 240 employees, 220 of whom are Kenyan.

### 1.2 BACKGROUND

On Wednesday April 18 2012, the Hon. (Dr.) Wilbur Ottichillo M.P asked an ordinary question to the Minister of State for Defence in the House concerning the status of the San Marco Space Application Centre in Malindi. The Hon. (Dr.) Ottichillo wanted the Minister to explain the conditions under which the Kenyan Government entered into an agreement

with the Government of Italy to establish the San Marco Space Application Centre at Ngomeni in 1964 and provide an update on the current status of the centre. He was also concerned with the reason why the agreement was executed by the Department of Defence and yet there were no security issues at the Centre. Hon. Dr. Ottichillo, MP also wanted the Minister to explain the uses of the centre as well as the financial gain from the centre and the number of Kenyans employed in senior management positions.

Following interest generated by the question and the feeling of Members that the question ought to be interrogated further by a House Committee, the Deputy Speaker ruled that a joint Committee of Energy, Communications and Information; and Education, Research and Technology investigates the matter in order to put the concerns of the House to rest. Following this ruling, the joint Committee met with various Stakeholders involved in the activities at the Centre and also undertook a visit to the centre in Ngomeni, Malindi.

The Committee during its inquiry observed that the country was not accessing the information collected at the centre for use in education, research, remote sensing, mapping and meteorology among others. The Committee noted with concern that the Government was not aware of the third party agreements in existence and that Kenya was not financially benefiting from the third party user fees. The Committee also noted the concern of the experts/stakeholders that the Ministry of Defence should not be the lead Ministry coordinating the activities at the centre, since there was no security threat at San Marco it was used for peaceful purposes. Further, the opaque nature of the defence Ministry will restrict accessibility of the facility to civilians. The Committee also toured the projects funded by the Italian Government in Ngomeni and was not satisfied with the quality of the projects. The Committee feels that the costing of some projects were over-quoted.

## CHAPTER TWO: SUBMISSIONS BY STAKEHOLDERS

### 2.0 INTRODUCTION

The Committee received oral and written submissions from various Stakeholders whose details are presented here below.

### 2.1 MEETING WITH THE MINISTER FOR DEFENCE AND MINISTER FOR HIGHER EDUCATION, RESEARCH AND TECHNOLOGY

The joint Committee held a meeting with the Assistant Minister, Ministry of Higher Education and the Permanent Secretary, Ministry of Defence on Thursday 3<sup>rd</sup> May, 2012. The joint Committee was informed as follows:-

#### 2.1.1 Background of San Marco Space Application Centre

- i) The San Marco project was initiated in 1962 by an Italian retired General of the Air Force, Professor General Luigi Broglio of the University of Rome, La Sapienza. This was followed by the signing of a bilateral agreement in 1963 between the University of Rome on behalf of the Government of Italy and the Royal Technical College (now the University of Nairobi) on behalf of the Government of Kenya (GoK). The agreement was ratified by the two Governments through exchange of letters dated 10<sup>th</sup> January, 1964 and subsequently extended by exchange of notes until 1<sup>st</sup> April, 1987. The agreement was reviewed between 1983 and 1986 and a new one signed on 1<sup>st</sup> April, 1987.
- ii) On 3<sup>rd</sup> October 1990, the Minister of State, Office of the President (OP) tabled a cabinet memorandum CAB/(90)64 on the activities of the San Marco satellite launching and tracking station at Ngomeni in Malindi. This elicited the Cabinet directive No. 11/90 of 23<sup>rd</sup> October 1990 that directed the Minister of State, Office of the President to co-ordinate a comprehensive review/renegotiation of all the provisions of the 1987 agreement and advise Cabinet before a revised one is signed. The Cabinet also directed the National Council for Science and Technology (NCST) to coordinate the formulation of a National Space Policy.
- iii) The amended version of the 1987 agreement was presented to the Cabinet through Memorandum CAB (93) 55 which also sought the creation of the National Space Secretariat (NSS) as a precursor to the Kenya Space Agency (KSA) in the Ministry of State for Defence. The Space Secretariat was established in 2009 through gazette notice No.5563. The approval of the amended version of the 1987 Agreement and also the approval of the creation of the National Space Secretariat in the Ministry of State for

Defence are contained in Minutes 62/93 of the Sixth Meeting – 1993, held on 12<sup>th</sup> August 1993. This was followed by the signing of the agreement, on the 14<sup>th</sup> March, 1995 by the two Governments.

iv) The station is built on a 3 hectares piece of land owned by the Ministry of State for Defence but negotiations were on-going on acquisition of a further 48.8 hectares.

#### 2.1.2. The 1995 Agreement on the San Marco Project

i) The 1995 agreement set an annual rent of USD 50,000.00 (Kshs. 4,175,000.00) to be paid to the Government of Kenya by the Italian Government. The figure has since been revised upwards to USD 100,000 (Kshs. 8,350,000.00) and is projected to increase to USD 310,000.00 (Kshs. 25,885,000) when the Government of Kenya makes available additional land for the expansion of the station.

ii) In the 1995 agreement, the Italian Government promised to spend Euro 1,968,182 (Kshs. 216,500,020) on Ngomeni Community socio-economic development projects. By 2011, Italy had spent Kshs. 240,000,000 on these projects through the Coast Development Authority (CDA) under the Ministry of Regional Development. In the new agreement which is yet to be signed, Italy has committed a soft loan of Kshs. 500,000,000 to be spent on community development projects. Italy has also committed a soft loan of Kshs. 500,000,000 for the establishment of a space science programme at the Jomo Kenyatta University of Agriculture and Technology (JKUAT).

iii) In the 1995 agreement, Italy had promised to train 4 PhDs, 12 Engineers and 24 Technicians in Space Science and Technology.

iv) The validity of the 1995 Agreement expired on 14<sup>th</sup> March, 2010 after fifteen (15) years. To allow time for negotiations, the Inter-Ministerial Committee of the San Marco Project recommended that the validity of the agreement be extended to 31<sup>st</sup> December, 2010. The validity of the agreement was extended again to 30<sup>th</sup> June, 2012 as negotiations on the new agreement continue.

v) The two Governments are in the process of concluding the implementation protocols of the new agreement. A Joint Steering committee meeting will be held in May, 2012 in order to conclude on the signing of the agreement which is expected to be finalized before 30<sup>th</sup> June, 2012 which is the expiry date of the current extension.

vi) The Inter-Ministerial Committee of San Marco Project oversees the implementation of the agreement and represents the Government in the negotiations. The Inter-Ministerial

Committee comprises of representatives from the Ministry of State for Defence; Ministry of Higher Education, Science and Technology; Ministry of Foreign Affairs; State Law Office; Ministry of Lands; Communication Commission of Kenya; Kenya Civil Aviation Authority; Department of Resource Surveys and Remote Sensing; Kenya Meteorological Department; and Jomo Kenyatta University of Agriculture Science and Technology.

### 1.3 Benefits of the project to Kenya

There are currently two hundred and twenty five (225) Kenyans employed at San Marco Space Centre. In 2009, these Kenyans earned a total of Euro 919,576.25 (Kshs. 101,153,387.75). In the same year, the station purchased goods and services from Kenya worth Euro 1,280,860.76 (Kshs. 140,894,683.60).

- ) Since the signing of the 1995 agreement, five (5) PhDs, three (3) MScs and twenty-four (24) technicians have been trained on space science technology. The Kenyans trained are now experts and are available to serve in the Kenya Space Agency. Further, Kenya has many other experts in the diaspora employed in such other establishments as National Aeronautical and Space Agency (NASA) and European Space Agency (ESA) among others.

#### 2.1.4 Key Challenges

- i) The Italian Government solely runs the San Marco facility with very little involvement of Kenyans in the internal workings thus accessing information from the station has been difficult. For instance, since there are no Kenyans involved in the management of the centre, information on the finances and third party agreements cannot be established.
- ii) Information on the San Marco project remains a mystery to many government departments despite the agreement guaranteeing free sharing of information.
- iii) The guidelines regarding the third party agreements have not been followed since the revenue accrued from third party agreements has not been remitted to the Kenyan Government as stipulated in the agreement.
- iv) Kenya has the required infrastructure and human services to make use of the information/data generated at the centre but the data has never been availed to the relevant institutions.

## 2.2 MEETING WITH MR. DAVID ANDERE (EBS) AND MR. EVANS MUKHOLWE

The Committee held a meeting with Mr. David Andere (EBS) a former Permanent Secretary in the Ministry of Foreign Affairs and Mr. Evans Mukholwe a former Director of Kenya meteorological department on Tuesday 19<sup>th</sup> June, 2012.

### 2.2.1 Submission by Mr. David Andere, EBS

Mr. Andere informed the Committee that:-

- i) The project was initiated in 1962 by a retired General of the Italian Air Force, Professor General Luigi Broglio of the University of Rome, La Sapienza. This was followed by the signing of a bilateral agreement in 1963 between the University of Rome on behalf of the Government of Italy and the Royal Technical College, now the UoN on behalf of the Kenyan Government. The agreement was ratified by the two Governments through exchange of letters dated 10<sup>th</sup> January, 1964 and subsequently extended by exchange of notes until 1<sup>st</sup> April, 1987. The agreement was reviewed between 1983 and 1986 and a new one signed on 1<sup>st</sup> April, 1987.
- ii) The San Marco space centre was to be a launching and satellite tracking facility.
- iii) The basic scientific and technological rationale of the San Marco Station was conceived following the successful launching of satellites in space for a variety of uses. The Malindi location was considered ideal due to its strategic positioning on the equator hence the advantage to track the different satellites launched in space from other launching platforms world-wide.
- iv) The negotiation on the renewal of the agreement was informed by the fact that Kenya had attained independence. Unlike in the previous arrangement, the GoK was obliged to determine the institution to take charge of the San Marco Satellite Launching and Tracking Station which was placed under the Ministry of Natural Resources. The Ministry of Foreign Affairs, the AG Chambers and the department of physics - which was the operational arm - also had a role to play in the Centre.
- v) The National Council of Science and Technology (NCST) which was subsequently formed established various Committees to address the various scientific and research disciplines. One of these Committees was for the application of space Science technology.
- vi) The said agreement and subsequent revised agreements were to manage, guide and determine the accruing mutual benefits of the station to both Governments.

- vii) There is need for the existence of the centre because the international scientific community recognizes the role and importance of satellite launching and tracking facilities for scientific, technological and security reasons. This is demonstrated by the interest and concern by the international community through the United Nations (UN) of the need to safeguard the global community from non-peaceful use of space.
- viii) The agreement between the two Governments spelt out the benefits that were to be accrued by both Governments – mainly in the field of technology, research, and training in relevant space sciences fields. These would also include electronics, hardware, satellite engineering, software development and computer application.
- ix) Mr. Andere expressed concern that despite the good intentions of the agreements, Kenya has not benefitted from the services of the centre and in particular access to satellite data and revenue received from satellite tracking for third parties.

#### 2.2.2 Submission from Mr. Evans Mukholwe

Mr. Evans Mukholwe a meteorological expert was in charge of World Meteorological Organization a project to ensure that Africa had ground segment to receive meteorological data from satellites. To this end, he got the European Union (EU) to finance a continental project that provided meteorological satellite data for the African region. Through his role, he got access to many restricted satellite launching facilities around the world including the ones that manufactured satellites. It was through this experience that he got to learn about the San Marco Space Centre in Malindi.

He informed the Committee the following:-

##### 2.2.2.1 Use of Satellite Technology in Weather Forecasting

- i) The two types of satellites used in weather forecasting are geostationary satellites and polar orbiting satellites. The meteorological community is however more interested in the geostationary satellites for the reasons that geostationary satellites focus on one particular space on the ground. Africa is served by geostationary satellites launched by ESA and the latest satellite - loaded with new technology - was launched in 2002.
- ii) The European geostationary satellites are launched from the French Guyana station which monitors the satellites' take off. Following the launch of the satellite, a station based in Natal, Brazil tracks it after which San Marco in Malindi becomes the last station in the world to monitor if the launched satellite has been deposited safely into the intended orbit. San Marco

space Centre is therefore located in Malindi, Kenya because of its geostrategic location on earth.

iii) The Meteorological department in Kenya prefers data from geostationary satellites because:- they can use the data to map clouds movements' in every 15 minutes; they can derive wind vectors from those same cloud movements (as wind is very important for weather forecast); they derive sea surface temperatures from the data (sea surface temperatures help monitor El Ninos); the satellites are also vital for communication as they allow for quick and effective dissemination of information from unmanned stations in very remote areas.

iv) San Marco launches probes into space which are very important for meteorologists as they collect weather information. Unfortunately San Marco space centre does not share such information with the Kenyan counterparts (Meteorological department).

v) San Marco Space Centre could also re-distribute information gathered by other satellites to the Kenyan government but does not.

#### 2.2.2.2. Benefits of the Centre to the Kenya Meteorological Department

i) The Kenya Meteorological Department unfortunately does not benefit from the data gathered by probes which are launched into space through the San Marco satellites. The reason for this is that the Italians who are in charge of the Space Centre are not willing to share the data gathered by their satellites with the Kenyan counterparts.

ii) A great benefit that could be accrued from the centre is the redistribution of weather information gathered by other satellites to the Kenyan Government i.e. meteorological department which could greatly benefit Kenya through improving weather observation.

iii) The Italians have unfortunately not honoured the agreement because they have not trained Kenyans on space engineering as specified in the agreement and thus Kenyans play a peripheral role in the operations of the centre mainly as technicians, cooks or guards.

iv) According to Mr. Mukholwe, Kenya should have derived three benefits from the project:- Training of Kenyans up to the level of the Italian counterparts i.e. space engineers; accessibility of the local community to the centre; revenue sharing i.e. this is because the third party users usually paid huge amounts to have their satellites tracked into space.

### 2.2.2.3. Role of Ministry of Defence in the Project

i) Mr. Mukholwe was of the view that the San Marco project should be based under the Ministry of Higher Education, Science & Technology and not the Ministry of Defence. This was because, if placed under the Ministry of Defence, Kenyans will be restricted from scrutinizing the operations of the centre and thus shield the Italians from being accountable to the Kenyan people. The centre therefore should ideally fall under the Ministry of Higher Education, Science & Technology because the centre is mainly needed for development and technological advancement.

ii) The Centre should be managed by civilians with the Defence Ministry as partners in case of any security issues.

iii) Kenyans must be involved in the management of the centre for equality in the partnership to be attained.

### 2.3 MEETING WITH AG. DIRECTOR CCK, MR. FRANCIS WANGUSI

The Committee held a meeting with the acting Director of the Communications Commission of Kenya, Mr. Francis Wangusi on Thursday 19<sup>th</sup> May, 2012.

He informed the Committee that:-

i) The San Marco Application Center started in 1957 through an agreement between the Government of Italy and the Kenyan Government. Its objective was to assist the Italian government in launching small satellites to space for atmospheric and ionospheric studies.

ii) Malindi is an ideal location due to its geographical position on the equator. However, there was no proper agreement as to how the facility would be used in Kenya since the agreement had been drafted by the Italians.

iii) The Italians had two platforms set up- one to launch rockets in the lower atmosphere mainly for ionospheric study and the other to support the launch of the rockets. The Centre started launching rockets in 1968 but stopped in 1988 due to mismanagement. They also put up a telemetry station whose purpose was to monitor and track the launch of the satellites into the orbit.

iv) Malindi became the first station to be able to monitor satellites immediately they had been launched into space. The station was used to ensure that the satellites were correctly

positioned into orbit. The functions of these satellites were communication, remote sensing and navigation.

- v) There is a remote sensing station at the centre that could provide data at radius of 2000km from the satellite at Malindi and whose information could be useful to East and Central Africa and the West of the Indian Ocean. However, the Italian Government has not been sharing the information and data gathered with the Kenyan Government.
- vi) The remote sensing station is already set up in Malindi under the management of the Italian government with a few Kenyans having a peripheral role. There is very limited sharing of data with Kenyan universities but there is a greater desire for other facilities to be made available to the local universities and Kenyan scientists.
- vii) The platforms for launching rockets have been eroded thus rockets are no longer launched at Malindi. It would therefore require a huge financial investment to start launching rockets again.
- viii) The serious activities currently taking place at Malindi are with regard to tracking command and telemetry on behalf of other space agencies such as the European Space Agency (ESA) which Italy is a member of. However, Kenya is not aware of how much the Italians are paid for these services as they are not fully involved in the management of the San Marco station.
- ix) There are about five (5) students sponsored by the Italian government to study space engineering at the Italian Universities. These scholarships offered by the Italian Government were administered by the Ministry of Defence.
- x) Mr. Wangusi stated it was difficult to know whether the Center was pursuing security issues and he was of the view that Kenya should take up the station for peaceful use of space resources. According to him, the best ministry to supervise the San Marco project was the Ministry of Higher Education, Science and technology.

#### 2.4 MEETING WITH PROF. MALO-OTIENO AND DR. FARAH HUSSEIN

The Committee met with Prof. Malo Otieno, a scientist/professor at the University of Nairobi and Dr. Farah Hussein, the Director General of the Regional Centre for Mapping and Resource Development (RCMRD) on Thursday July 19<sup>th</sup>, 2012.

## 2.4.1 Submissions From Prof. Malo-Otieno

Prof. Malo-Otieno is a Professor of Physics and has specialized in nuclear and space science. He has taught at Nairobi University from 1968 to date. Prof. Malo has been involved in the San Marco Centre since 1970. He informed the Committee that:-

### 2.4.1.1 The 1995 San Marco Space Application Centre Agreement

- i) There is an agreement between the Kenya Government and the Italian Government on the San Marco space centre. However, Kenya is not benefitting from the agreement.
- ii) In 1995, he joined a Committee under the Ministry of Defence. The committee together with representatives of the Italian Government drafted a 15 year agreement that was to run from 1995 to 2010. This agreement stipulated the responsibilities of the two Governments.
- iii) The major responsibilities of the Kenyan Government were to provide the land to build the centre, provide security and also provide citizens to be trained by the Italians. The major responsibilities of the Italian government on the other hand were to provide scholarships to Kenyans to study space science from Master of Science level to Doctorate level.
- iv) While at the Centre, he had insisted that the Italians hold trainings for Kenyan technicians every two (2) years but he was not aware if the trainings were still being conducted.
- v) The agreement between the Kenyan and Italian government stipulates that any third party use of the Centre must be approved by the Kenyan Government and 70% of the fees remitted to Kenya. However, the Italian government was not complying with the agreement since they had received fees from third parties but were not submitting the 70% share to Kenya. For instance, the European Space Agency (ESA) was using the Centre's services but Kenya was not gaining anything from the payments.
- vi) In 1960 when he joined Nairobi University, he was initially only interested in data collection. However, he was later requested to join San Marco which was under the Ministry of Defence. He was thus not aware of the reason for assignment of the San Marco project to the Defence Ministry.
- vii) The rockets that were being launched by the Centre were scout rockets, which are no longer being manufactured. The rockets do not pose any threat to Kenyans as they carry instruments to monitor chemicals within the atmosphere. Currently, the rockets are at

sea. This is however a waste since the rockets are expensive to maintain and are of no use as a satellite is being built;

viii) The name San Marco was adopted by the Italians because they had initiated and heavily funded the Centre;

#### 2.4.1.2 Benefits of the San Marco Project to Kenyans

i) There were six (6) or seven (7) PhD students trained at UoN with the objective of employing them at the centre after their training. However, only one student was currently working at the centre while another was a lecturer at UoN and the others entered into employment in the various Government Ministries.

ii) Kenya was to get data from the centre for free.

iii) The benefits Kenya could derive from the centre include training of Kenyans in space science and technology as well as remote sensing which is beneficial for socio-economic development as it can be used in land use mapping, disaster management and to monitor fishing and maritime movement.

iv) Initially there had been no Corporate Social Responsibility (CSR) in Ngomeni, but Prof. Malo advocated for the commencement of the Ngomeni development project that was to amount to KShs 200 million. He is however not sure if the project is ongoing and how the funds are being managed.

#### 2.4.1.3 Kenya's Space Agency Policy

i) Prof. Malo stated that in 1994, he was a member of the National space science agency which developed a space policy document that was adopted by Cabinet. The document recommended among others that a Kenya Space Agency and a Space Science institute be established. The main role of the space institute was to train more Kenyan scientists in the space science field. These recommendations are however yet to be implemented.

#### 2.4.1.4 Role of Ministry of Defence in the Project

i) The PS in the Ministry of Defence discontinued Prof. Malo's attendance to the Committee after a Dr. Kimani, a material scientist joined the project. Prof. Malo was of the opinion that Dr. Kimani was not qualified to run the project as his area of specialization was not space science but material science.

- ii) There was need to ensure that San Marco was not placed under the Ministry of Defence because of its guarded nature which will prevent other Ministries and parties from accessing any information. Further, the centre was created to promote science and technology in the country and once the Ministry of Defence gains control, it would become shrouded in mystery and its activities and operations opaque. The Ministry of Defence can however participate in the activities of the center.

#### 2.4.2 Submissions from Dr. Farah Hussein

Dr. Farah Hussein is the Director General of the Regional Centre for Mapping of Resource for Development which is mandated with the task of training in remote sensing and geo-information on behalf of its member states. Their role was to provide advice to the Kenyan Government inter-ministerial committee that is in charge of the San Marco Space Centre on how the centre could be used for socio-economic development, particularly in the monitoring of the environment.

Dr. Hussein informed the Committee that:-

##### 2.4.2.1 Benefits of RCMRD to Kenyans

- i) The organization has been beneficial to Kenya since it has initiated and facilitated various projects under different ministries. These are:- Ministry of Forestry- mapping forests; Ministry of Environment and Natural Resources-mapping of key environmentally sensitive areas in Kenya such as the Mara; Ministry of Lands-mapping of land in order to facilitate ease of survey and demarcations. They also provided training for Kenyan professionals and civil servants who require skills in mapping, surveying, geographical information systems and geographic positioning systems.

##### 2.4.2.2 Role of San Marco

- i) The role of San Marco is to:-
  - (a) Foster international co-operation in the use of merging technologies of space science;
  - (b) Research (co-operation between Kenyan and Italian universities);
  - (c) Remote sensing (which is crucial as it observes the earth and data produced could help enhance environment conservation, food security etc).

- ii) The centre was responsible for launching rockets (this has however been defunct since the 80s) and tracking of satellites to monitor if they have been properly placed in their orbits.
- iii) According to his knowledge, Kenya had not made efforts to put a satellite into space that could bring about development in the region both scientifically and economically. Telemedicine is one of the areas that Kenya could exploit if they launched a satellite into space.
- iv) Kenya has a very important geostrategic resource. The location of the centre is strategically positioned on the equator and lies next to the Indian Ocean where satellites can be launched with ease and any miscalculation in the launching ensures the debris falls in the ocean. Dr. Hussein was of the opinion that the country should protect this resource and maximize its use to benefit Kenyans.

## 2.5 VISIT TO SAN MARCO SPACE CENTRE, NGOMENI, MALINDI

The Committee visited the San Marco Space Centre in Ngomeni, Malindi and held a session with the Italian staff at the centre, Ministry of Defence staff, National Council for Science and Technology staff and the Italian Deputy Ambassador.

### 2.5.1 Presentation by Mr. Roberto Ibba, Chief Representative of the Italian Space Agency

Mr. Roberto Ibba while making a presentation informed the Committee that:-

- i) The San Marco centre was established in 1964 and was managed by the University of Roma 'La Sapienza' until 2004 when management was transferred to the Italian Space Agency (ASI).
- ii) The 1995 fifteen year agreement which expired has been extended up to June 2013 awaiting conclusion of negotiations for the renewal of the agreement.
- iii) The activities of the centre include rocket launches, satellite support and remote sensing image acquisition. The purpose of the Remote Sensing Centre (RSC) is to acquire, pre-process, archive and distribute earth orbit satellite data.
- iv) San Marco was composed of the land and sea segments. The sea segment is dedicated to orbital and suborbital launches for scientific payloads and satellites from the off-shore platforms. There had been 27 rocket launches that were 100% successful. The last rocket launch was in March 1988 -SCOUT SV 206 -San Marco D/L. The land segment which is

located on a 35,000sq m area supports launches and other activities. There are four ground stations for satellite data acquisition; remote sensing centre; meeting and training centre and logistic facilities.

- v) The management of the Centre is done through the operational support of industrial contractors just like in the modern space centers in the world. Vitrociset is the prime contractor with the cooperation of Telespazio as subcontractor for the maintenance and logistics management of the base.
- vi) The main activities of the San Marco space centre are rocket launching (which is not currently being conducted but is under study), earth observation, research and training.
- vii) The satellite centers are in French Guyana and San Marco only receives and transmits data. Other satellites also use the centre.
- viii) The center established a link with Kenya Education Network in June 2012. The link is managed by Kenya Education Network that is stationed in Nairobi.
- ix) The center does not use orbital slots which is a position given to any country to place geostationary spots. Instead it uses frequencies and applies annually to the CCK for the frequency license.
- x) The study center at San Marco receives data regularly that is to be used for research. However, universities are currently not getting any data because of lack of knowledge of the availability of the data and lack of capacity to use the data.
- xi) San Marco has the possibility for further development in capacity building/technology transfer and telemedicine. Various local and regional institutions have also shown interest to co-operate with the centre's satellite receiving station in order to utilize and add value to the data available. These include the Department of Resource Survey and Remote Sensing (DRSRS), Department of Meteorology, the School of Physical sciences (UoN); Jomo Kenyatta University of Agriculture and Technology (JKUAT), Kenya Marine and Fisheries Research Institute (KMFRI), IGAD Climate Prediction and Applications Centre (ICPAC); Intergovernmental Oceanographic Commission (IOC/UNESCO); and Regional Centre for Mapping of Resources for Development (RCMRD).
- xii) The San Marco base is funded by the Italian Space Agency (ASI) with some payments made directly to service providers and some paid to external contractors tasked to carry out specific work for the base as detailed below:

- a) I4SB Consortium (Telespazio, Vitrociset, CGS, Rheinmetall Italy), for "BSC Station operation and Maintenance". The contract value is €3,000,000.00 per year, and includes payments to Italian personnel. The contract started in January 2009 and will expire in December 2012.
- b) Vitrociset/Telespazio Temporary Industrial Group, for the "BSC global service". The contract value is €6,700,000.00 per year (including €1,600,000.00 which is reimbursable) and includes Kenyan and Italian personnel. The contract started in June 2011 and will expire in May 2015.
- c) Telespazio, for "ASI-Net –Operative communication". The contract provides the ASI operative communication including BSC which requires approximately €600,000.00 per year. The contract started in April 2011 and will expire in September 2013.
- d) ASI direct expenses such as GoK land rent, licences, utilities, ASI's Kenyan personnel, local service contracts, etc. was budgeted at €500,000.00 for the year 2011. Other expenses like ASI Italian personnel, travels, etc. are not included.
- xiii) Total expenditure for BSC management and operation is around 11 M€/year. This will be the typical budget for the coming years and does not include new activities and investments. In the previous years, the budget grew from 7 M€/year to the current value. Around 40% of this amount is spent in Kenya.
- xiv) The Space centre service customers can be classified in three main domains:-
- National- These are activities sponsored by the Kenyan and Italian Governments, their respective authorities, space agencies and public institutions involved in space activities. These services do not generate any income.
  - Trilateral- These are programs sponsored by a party other than the Kenyan and Italian Government and their respective public authorities, space agencies and public institutions involved in space activities. These services are provided on a cost reimbursement basis and do not generate profit. The income for the year 2011 was: ESOC-€45,444.00 and ESA/CNES-€573,500.00
  - Third parties - this refers to programs and activities sponsored by a party not included in the previous categories. These services generate an income. The income for the year 2011 was by China Satellite Launch and Tracking Control General (CLTC) - €328,337.19.

xv) There are approximately two hundred and forty (240) employees at the center i.e. twenty (20) Italians, two hundred and twenty (220) Kenyans out of whom two (2) have university degrees, two (2) are military technicians from the Ministry of Defence and four (4) are working in managerial positions. Only two (2) of the six (6) Kenyans awarded scholarships by the Italian Government and trained in space science are working at the Centre.

xvi) There is the intention of recruiting Kenyans to senior positions at the space centre. In 2007, a list of vacancies was sent to the Ministry but the management did not succeed in finding people to fill in the vacancies. The interviews were to be conducted by the Federation of Kenya Employers (FKE). However, they were unable to recruit any engineers and only managed to recruit a nurse, accountant, electrician, secretaries and a storekeeper.

xvii) The contracts and salaries of the staff are based on regional figures and the position of the employee. The centre does not discriminate in its payments as there is a general reference for remuneration. However, Italians working at the centre are paid more than other local employees as they are hired as expatriates.

xviii) The Italian and Kenyan Governments had agreed on socio-economic development projects that would be funded under the San Marco agreement. These projects were focused on health, education and the social sector. The projects began in the 1980s after which the Coast Development Authority (CDA) was assigned full management of the projects. The second phase of project funds which amounted to about KSh. 500 million was to be released after the new agreement is signed.

#### 2.5.2 Submissions by Captain Andrew Nyawade

Captain Andrew Nyawade is one of the officers stationed at the San Marco Space Centre from the Ministry of Defence. While responding to some of the queries raised by the Committee, he stated that:-

i) He has an undergraduate degree in Electrical Engineering from the UoN and a Masters degree in satellite communications from Rome.

ii) There were three (3) officers from the Ministry of State for Defence stationed at the Space centre.

- iii) They had not met Prof. Malo and were not privy to the reason why he was not currently involved in the activities of the Centre.
- iv) There was previously no coordinating agency on the Kenyan side to enable Kenya understand the potential of the centre and tap into the data generated. The case is however now different as there is an inter-ministerial Committee that oversees the centre.
- v) The department of Defence has an agreement with the Italian military for data exchange. The data available from the Centre on mapping of the whole country is important for security functions of the Department of Defence.

### 2.5.3 Submission by Dr. John Kimani- Ministry of State for Defence

Dr. Kimani who is in charge of the inter-ministerial Committee while responding to the Committee's concerns informed them that:-

- i) He has a PHD in physics from the University of Nairobi.
- ii) There are six (6) countries (e.g India, United States and France) in the world which have rocket launching bases used for missile technology. In all the 6 countries, these space stations are managed and coordinated by the Ministry of Defence with the maritime surveillance on standby due to the security implication. The satellite data is received by the security forces who decide which components will be used by civilians. This therefore justifies the presence of the military/defence at the San Marco Space Application Centre.
- iii) Over 20 rockets have been launched from the platforms. The last launch was done in 1988 since the type of rockets that were being used are no longer in production. However, feasibility studies are being carried out in order to re-start launching of rockets.
- iv) The Department of Defence (DoD) was given the powers to manage the station through a cabinet directive. This is expected to eventually lead to the establishment of a space agency to coordinate space activities at the Centre.
- v) The reason why the number of military personnel stationed at the centre was low was because currently no rocket launching was being undertaken. However, once launching of rockets begins, more military personnel will be posted.
- vi) The Kenyan government established the National Space Secretariat which will eventually become the Kenya Space Agency.

#### 2.5.4 Submissions by Ms. Margaret Maimba, NCST

Ms. Margaret Maimba a desk officer for space science at the National Council for Science and Technology informed the Committee that:-

- i) The space secretariat was established in 2009 to coordinate all activities in the space industry. Initially, space surveillance was a security issue but currently its a civilian matter.
- ii) The Ministry of Higher Education science and Technology (MoHEST) has developed a policy and a draft Bill on space science. These documents have gone through the first consultative forum and other consultative forums are also yet to be done.

#### 2.5.5 Submission by the Coast Development Authority

The CDA is in charge of managing the development projects in Malindi funded by the Italian government through the San Marco Space Centre. The Committee held a session with the management on Tuesday, 24<sup>th</sup> July 2012 at the CDA Boardroom on the status of these projects. The Committee was informed that:-

##### 2.5.5.1 Status of the Development Projects

- i) Under the joint agreement between Kenya and the Italian governments, Kshs 240 million was allocated for CSR particularly in Malindi and Magarini districts. The main focus of the development projects was health, education, water, infrastructure and fishery.
- ii) A proposal for up scaling the Malindi Integrated Social Health Development Programme (MISHDP) has also been prepared by CDA and submitted for funding. The total estimated cost for the upscale projects will be KSh 697, 095,657.
- iii) The projects were proposed by the community after which CDA prepared proposals for consideration and approvals by the Italian Government.
- iv) A cold storage project was scheduled to take place in the first phase of the development projects. However, due to land issues and after consultation with the Italian co-operation, the project was pushed to the upscale stage.
- v) The funds allocated in the MISHDP were used to facilitate the following projects:
  - Construction of a maternity wing at Marikebuni dispensary.
  - Construction of parking and road works at Malindi district hospital.
  - Refurbishment of the X-Ray block at Malindi district hospital.

- Rehabilitation of water system at Malindi district hospital.
- Upgrading of the power system at Malindi district hospital.
- Construction of a new MCH/FP block at Mambrui dispensary.
- Rehabilitation and construction of Ngomeni Primary School.
- Strengthening the capacities of CDA and the collaborating Ministry departments.
- Acquisition of programme vehicle.
- Construction of Ngomeni secondary school;
- Construction of Ngomeni health center;
- Construction of Ngomeni cold storage facility for fish.
- Construction of Ngomeni sea wall.
- Construction of boreholes/ wells.
- Improvement of Mjanaheri – Ngomeni road.
- CDA headquarter's office renovation.
- Provision of fishing gear.
- Training of fishermen.
- Proposed re-roofing and repair and redecorating of 12 classrooms and administration block at Gede secondary school.
- Proposed construction of 1 block of 3 classrooms and 4 unit toilets block at Midodoni primary school and provision of a ferro cement tank.
- Proposed construction of 3 blocks of 3 classrooms (9 classrooms); 4 units toilet block and provision of a ferro cement tank at Bura primary school.
- Proposed construction of a dispensary block at Sosoni (outpatient, MCH service, treatment room, pharmacy, record room and covered waiting area)
- Proposed construction of a maternity block at Baricho dispensary.
- Proposed construction of a maternity block at Dagamra dispensary.

#### 2.5.5.2 Achievements

- i) Construction of four (4) classrooms in Ngomeni Primary school; Rehabilitation of Ngomeni Primary School is 100% complete.
- ii) Rehabilitation of Ngomeni Health Center is 100% complete.
- iii) Construction of Ngomeni Secondary School is 100% complete. CDA had put up eight (8) class rooms which are already under use and an administration block. The first form IV candidates will sit the 2012 KCSE examinations.
- iv) Implementation of the construction of the Ngomeni storage facility had been delayed due to land/site problems.

- v) Wells have been sunk, cleared and sealed in the surrounding Ngomeni area.
- vi) The CDA head quarter offices have been renovated.
- vii) The Ngomeni sea wall has been constructed and the project is 75% complete. Initially, CDA had engaged the Ministry of Public works on this project but the price quoted by the Ministry was KSh 200 million which was too expensive. CDA therefore came up with an alternative structure via one of its engineers, which cost the authority KSh 26.5 million.
- viii) Malindi district hospital water system rehabilitation is 100% complete.
- ix) Malindi district Hospital X-ray block renovation and extension is 100% complete.
- x) Malindi district hospital parking and road works is 100% complete.
- xi) Malindi district hospital power upgrading is 100% complete.
- xii) Mambui dispensary MCH/FP block is 100% complete.
- xiii) Marikebuni dispensary maternity wing is 100% complete.
- xiv) Gede secondary school project is 100% complete.
- xv) Midodoni primary school project is 100% complete.
- xvi) Bura primary school project is 95% complete but ongoing.
- xvii) Sosoni dispensary project is 90% complete but ongoing.
- xviii) Baricho dispensary project is 95% complete but ongoing.
- xix) Dagamra dispensary project is 85% complete but ongoing.
- xx) Procurement process has been initiated for the provision of fishing equipment.
- xxi) Training of Ngomeni BMU members 100% complete

The Committee was informed that the PKF International had already done an audit of the development projects and had given them a clean bill of health.

#### 2.5.5.3 Challenges

The main challenge faced by CDA was the delay in completion of some of the contracted works as most of the projects are located further inland and accessibility during the rainy

season was difficult which caused delays in delivery of building materials. In some instances, the specified materials were not readily available in the market.

#### 2.5.6 Submission by Mr. Alberto La Bella, Deputy Italian Ambassador

Mr. Alberto La Bella the Deputy Italian Ambassador and Charge d'affaires at the Embassy accompanied the Committee to the meeting at CDA and informed them that:-

- i) The Italian space agency does not make profits unless it enters into third party agreements.
- ii) The Italian cooperation has given a positive assessment of the First phase of the development projects in Ngomeni. In July, an independent authority will audit the projects.
- iii) On the issue of the stalled fishing projects, the Deputy Ambassador informed the Committee that the money allocated to the cold storage facility had not been spent and the same amount would be used during the next phase of the development projects.
- iv) The KSh. 600 million to be allocated by the Italian government to the Kenyan government in the upscale project is one of the highest amounts given by the Italian government. This amount which was requested by the Kenyan Government was being provided as a loan and not a grant as the Italian laws currently do not allow for the issuance of grants.

#### 2.5.7 Submission by Mrs. Nancy Karigithu, Director General Kenya Maritime Authority

The Committee held a session with the Kenya Maritime Authority (KMA) management with the main aim of understanding the role of the San Marco Space Application Centre in the maritime and satellite technology.

The Director General of KMA Mrs. Nancy W. Karigithu informed the Committee that:-

##### 2.5.7.1 Role and Capacity of San Marco in Maritime Operations

- i) Marine applications utilizing remote sensing data acquired at San Marco could help in research or commercial applications such as;
  - a) Maritime safety information, wave, wind and storm monitoring (both speed and direction) and thus reduce risk of maritime accidents like the recent Zanzibar tragedy.
  - b) Surface currents (both speed and direction).

- c) Marine surveillance interests- this has a security implication and to some extent may necessitate limited access to users.
- d) Mapping coastal habitats (Mangroves, sea grass and coral reefs).
- e) Mapping coastal areas (deltas and estuaries).
- f) Shoreline changes resulting from coastal erosion.
- g) Marine fisheries, chlorophyll, pigments, algal blooms etc.
- h) Disaster management/monitoring of oil and chemical spills in the Exclusive Economic Zone (EEZ) and Extended Continental Shelf (ECS).
- i) Monitoring of turbidity during dredging works.
- j) Monitoring of sea traffic.
- k) Maritime security in our EEZ and ECS.
- l) Remote sensing image acquisition.

#### 2.5.7.2 Benefits

- i) Training of Kenyans and knowledge transfer.
- ii) A National Space Policy should have been developed since the establishment of San Marco. However currently there is a draft Space Policy and Space Bill.
- iii) Kenya should be able to have unlimited opportunity to invite other players to the centre and benefit from third party arrangements considering Kenya has a geographical advantage for equatorial launches of rockets and tracking.

#### 2.5.7.3 Role of Ministry of Defence in the Project

- i) The DoD should retain the role of the lead agency of the centre noting that satellite information by its nature was detailed and sensitive thus needed to be safeguarded. Further, the best institution in terms of security management was DoD. Similar practice had also been adopted in other countries such as US, Brazil, Argentina, Italy and India who all had their space centres anchored under the Defence docket.

#### 2.5.8 Tour of the San Marco Development Projects

The Committee resolved to visit the following projects funded by the Italian Government:-

- Malindi district hospital
- Ngomeni primary school
- Ngomeni secondary school
- New Ngomeni health center
- Ngomeni sea wall

#### 2.5.8.1 Malindi district hospital

At the Malindi district hospital, the Committee learnt that the Italian Government had funded the construction of the X-ray department, cabro works, water piping and extension of the power line.

- i) The construction of the Radiology (x-ray) department in 2010 was funded for a total of KSh 8 million. The x-ray equipment was however donated. The Committee observed that:-
  - The workmanship was of poor quality as there were already signs of structural damage for instance the ceiling was already leaking. Further, the Committee noted that building materials such as sand were available locally and they made the conclusion that the building could not have cost more than KSh. 3 million thus it was over-quoted. The Committee requested to be availed with the drawings from the Ministry of Public works for the construction of the X-ray building.
- ii) The cabro works at the Malindi district hospital were funded with KSh. 7 million. The Committee observed that:-
  - The cabro works were incomplete considering not all the grounds had been paved including the parking. They concluded that the total cost of the project could not be worth KSh. 7 million.
- iii) A replacement of the water piping at the hospital had been done to a tune of KSh. 2.9 million.
  - The Committee observed that the piping could not be verified and requested for the quotation for the water pipes showing the length of piping used for the whole hospital.
- iv) The Committee heard that a transformer was purchased in order to facilitate extension of the electricity power line at the hospital. The Committee observed that:-
  - The Kenya Power Company (KPC) provides the transformers for free and there was therefore need to get documentation to ascertain whether the payments were for

purchase of a transformer or for power lines extension. The Committee therefore requested for quotation and receipts of payment to KPC for extension of the power line at the hospital.

#### 2.5.8.2 Ngomeni Primary and Secondary schools

The Committee toured the Ngomeni primary school and secondary school.

##### 2.5.8.2.1 Ngomeni primary school Rehabilitation and Extension

i) The Committee while touring Ngomeni Primary school was informed that the expansion and rehabilitation of the school cost KSh. 12 million. Four (4) new classrooms had been built at KSh. 3.95 million, four (4) classrooms rehabilitated at KSh. 2.2 million, an administration and toilet block had been constructed at KSh. 2.7 million and KSh.335,303 thousand respectively. There was also an extension of a tap outside Ngomeni Primary School for water access by the community. The Committee heard that the community was not given an opportunity to work and participate in the tender process.

##### 2.5.8.2.2 Ngomeni secondary school

- i) The Committee while on tour of Ngomeni Secondary school was informed that the project had cost KSh. 43 million.
  - ii) The school had 158 students out of which 50 were girls and 108 boys. The school had a class of 17 students expected to sit for the Kenya Certificate of Secondary Education (KCSE) examinations at the end of the year.
  - iii) The secondary school had only one (1) teacher from the Teachers Service Commission (TSC) out of the eleven (11) teachers at the school. The salary of the teachers was KSh. 15,000 each. Three (3) of the teachers had graduated from university and others had enrolled in universities. The annual school fees were KSh 15,600.
  - iv) The Committee also toured the computer room which was well equipped but the school was yet to hire a computer teacher. The Committee was informed that the community would also benefit as in future, computer classes would be offered to the community at an affordable fee. The school laboratory and library were also well constructed but lacked lab equipment while the library lacked books.
- The Committee commended the high quality of construction works at the school.
  - They noted that there was a shortage of teachers and recommended TSC to deploy teachers to the school.

- The laboratory and library though well constructed, needed to be stocked with lab equipment and books respectively for useful utilization of the facilities.
- The school lacked a dining hall but the Committee was informed that this would be factored in the upscale project.

#### 2.5.8.3 New Ngomeni Health Centre

- i) The Committee while on a tour of the New Ngomeni Health Centre was informed that the project had cost KSh. 35 million. The health center was a level three hospital but was yet to be designated as such by the Ministry of Health.
- ii) The health centre received about 100 to 120 patients a day. However, the serious medical cases were referred to Malindi district hospital.
- iii) The Committee observed that:-
  - The construction works of the health centre were of high quality.
  - There was a shortage of medical personnel as there were only two (2) nurses and one (1) clinical officer at the health centre.
  - The health centre lacked adequate supply of medicine. The Committee established that the health centre did not even have basic painkillers such as panadol.
  - The Health Centre did not have an ambulance and had to rely on one from the San Marco Center in case of emergencies. They had however made a request for one.

#### 2.5.8.4 Ngomeni sea wall

- i) The Committee toured the Ngomeni sea wall and observed that although the project was said to cost KSh. 25 million, the physical structure did not reflect the amount quoted. Further, the Committee observed that the sea wall in some areas was not effective as the ocean water was still able to rise above it and therefore pose a threat of eroding the Ngomeni village.

### 2.6 MEETING WITH THE MINISTER FOR DEFENCE

The Committee held a wrap up session with the Assistant Minister for Defence the Hon. David Musila, MP on Thursday, 9<sup>th</sup> August 2012. He was accompanied by the PS Amb. Nancy Kirui and other Ministry officials.

The Minister informed the Committee that:-

- i) The new agreement was still being negotiated and had not yet been signed.
- ii) The Office of the Prime Minister (OPM) had communicated to the Ministry requesting it to sign the agreement by 28<sup>th</sup> August, 2012. This however was not a directive but rather a concern from the OPM which is mandated with co-coordinating the activities of Government.
- iii) The Government business that has stalled due to the delay in signing the agreement was mainly the payment of rents by the Italian government. The Ministry has however extended the agreement for a year in order to avoid creating a vacuum where investors may construe it to mean that the agreement had been rejected.
- iv) The Minister stated that the San Marco Project could be used for peaceful purposes but it could also be used for Defence purposes. He was of the view that the Cabinet made a prudent decision in transferring the facility to Defence Ministry and that the Cabinet did not need any law since it was its prerogative to assign and transfer functions to any of its Ministries. He was of the opinion that the project should remain under the Ministry of Defence because the activities of the facility in general including launching of rockets touch on national security. Further, in many countries with similar facilities, they are run by the armed forces.
- v) The Minister admitted to the failure by Government institutions to fully utilize the facility including the Ministry of Defence, Meteorological Department and the Ministry of Higher Education, Research and Technology. The Minister however sought to assure the Committee that in the new agreement, a clear framework of engagement with Government agencies will be defined.
- vi) The Minister admitted that there was no clear system of monitoring and collecting the 70% fee from the third parties therefore it was difficult to establish how much third party agreements have earned so far. He stated that no fees had been collected since the agreement was signed in 1995 and that the Italian Government had only recently started paying the rents.
- vii) With regard to the concern raised by the Committee that the Italian Government was providing a soft loan instead of a grant for the development projects, the Minister stated that soft loans were not conditional like other bilateral loans offered to Kenya.

- viii) On the issue of employment of Kenyan staff at the centre, the minister informed the Committee that the Kenyan employees at the Centre are paid above the existing market rates. He nevertheless agreed that their terms of employment needed to be improved. He promised to ensure that the new agreement rectifies this anomaly and that the Italians will be required to follow the labour laws of the country.
- ix) The Minister requested the joint Committee to allow the Defence Ministry to continue supervising the management of San Marco in order to allow for continuity as it will ensure coordination of other involved Government agencies.
- x) The Minister assured the Committee that the new agreement has included joint management and administration of the San Marco facility between the Italians and Kenyans.
- xi) He further assured the Committee that he was going to postpone the signing of the agreement until the Committee finalizes and tables its report so that the final agreement can include the Committee's inputs and recommendations. He committed to write to the Prime Minister seeking postponement of signing the agreement and confirming the same in writing to Parliament.

## CHAPTER THREE: COMMITTEE OBSERVATIONS, FINDINGS AND CONCLUSIONS

### ) Benefits of San Marco

During the inquiry, the Committee heard that the geographical position of San Marco Space Application Centre on the equator is strategic and of great significance in the field of space science. The Committee also heard that the benefits of San Marco included use of data collected in areas such as meteorology and remote sensing; financial benefits from third party users; training and employment of Kenyans among others. The Committee established that the data collected has not been shared with Kenyan institutions and that payment from third party agreements had not been received by the Government.

iii) The Committee observes that Kenya is not taking advantage of the geostrategic positioning of the Centre to establish itself as a leader in space science and technology and that space science research has been very minimal in the country.

iv) The Committee observes that San Marco Space Centre is underutilized and has not been of great benefit to Kenya considering the data collected has not been shared with Kenya and used to benefit the country in areas such as education, research, remote sensing, meteorology and maritime security among others. Further, no funds collected from third party users have been remitted to the Kenyan Government.

v) The Committee further observes that the amount of data being collected from third party entities was colossal and Kenya was bound to lose both financially and technologically if they continued to relegate the administration of the facility to the Italians.

### (ii) The Agreement between the Kenyan and Italian Governments

The Committee heard that the bi-lateral agreement between the Kenyan Government and the Italian Government first signed in 1962 has since been renewed three times, the last time being in 1995. The agreement spelt out the responsibilities of the two Governments in the project. The 1995 agreement expired on 14<sup>th</sup> March, 2010 and was extended until December 31<sup>st</sup> 2010, June 2012 and again until June 2013 as negotiations for the new agreement are taking place.

iii) The Committee notes with concern that the Italian Government was not honouring some of the Articles as stipulated by the 1995 agreement. These include:-

- Article VI (1) which states that use of the San Marco facilities by third parties (any other Government or agency except the Kenya or Italian Government/Agency) shall be given prior written approval by the Government of Kenya. Further Article III (7) states that the Government of Italy shall remit to the Government of Kenya fees by third parties for the use of the station at the rate of 70%.
- The Committee observes that the Italian Government had not remitted any funds accrued from third party agreements since 1995. This is despite the use of the facilities by other space agencies such as the CLT from China. The Committee further notes with concern that despite third party agreements requiring prior approval of the Kenyan Government, the Government was not able to determine how many third party agreements existed and therefore how much had been earned so far. The Committee therefore observes that considering the space industry is a multi-billion industry, the country could have lost taxpayers money earned from third party agreements.

iv) Under Article III of the 1995 Agreement, it is the responsibility of the Italian Government to train four (4) PhDs, twelve (12) Engineers and twenty four (24) technicians Kenyans in space science technology. The Committee however observes that only five (5) Kenyans have been trained so far out of which only two (2) are working at the San Marco Space Application Centre.

### (III) Ministry in charge of the San Marco Space Applicants Centre

The Committee learnt that the San Marco Space Application Centre is coordinated by the Ministry of Defence as the lead Ministry as authorized through a Cabinet directive.

- v) The Committee notes that various stakeholders/experts in the industry felt that it was not necessary for the Ministry of Defence to take up the lead role in the co-ordination of the project considering the project was to be undertaken for peaceful purposes thus the security aspect was minimal. They however were of the opinion that it should be involved in the activities of the project as a supporting Ministry.
- vi) Though the Committee appreciates that other countries with launching centres have the Ministry of Defence manning them, the Committee notes that the Centre would be more beneficial to Kenya if it is mainly used for civilian and not military purposes. This is because civilian use allows for the development of remote sensing; improved meteorology analysis; enhanced communication; telemedicine; disaster management; land use mapping and increase in other useful scientific data acquisition.

vii) Further, the Committee notes that the centre was established for research and technological growth of the country as well as data generation for meteorological purposes which were peaceful purposes. The security reason therefore cited for placing San Marco under the Defence docket is therefore not viable considering the last time rockets were launched was in 1988.

viii) The Committee also notes with concern that the operations of the Ministry of Defence are usually opaque and shrouded in mystery and it may therefore be difficult for the civilians and other public agencies to access information from the centre. The placement of the facility under the ministry of Defence was therefore obstructing peaceful research by Kenyan scientists as it restricted accessibility.

#### (IV) Policy and legal framework

The Committee heard that no policy framework or law exists to guide the space activities in the country despite growing global importance and various developments in the space industry.

iii) The Committee notes with concern that despite the Space Centre being in existence since 1964, the country lacks policy and legal framework to provide guidance in matters of space science technology. The Committee finds that this may have slowed the development of the country in space activities.

iv) The Committee however observes that the Ministry of Higher Education, Science and Technology is currently developing a National Space policy and National Space Bill though they feel that the process has taken a long time to be complete.

#### (V) Employment and remuneration of Kenyans

The Committee was informed that out of the two hundred and forty (240) Kenyans employed at San Marco, only four (4) of them are in managerial positions.

iii) The Committee observes that there are very few Kenyans in managerial positions at the Centre and that this may compound the fact that the centre is managed under opaque circumstances and that no information is shared with outsiders.

iv) The Committee further observes that the Centre is not able to attract qualified Kenyans in space science due to the low and uncompetitive remuneration offered at the Centre. The Committee further observes that the Italian scientists at the Centre are paid more

than the Kenyan Space scientists and Engineers. The Committee finds this remuneration discriminatory considering the centre is located in Kenya.

#### (VI) Access of information from San Marco Space Application Centre

- iv) The Committee observes that information gathered at the San Marco Space Application Centre would be beneficial to the country especially for meteorological and maritime surveillance as well as disaster management and land use mapping.
- v) The Committee however notes with concern that this information gathered at the San Marco Space Centre is not shared/availed to Kenya.
- vi) The Committee further observes that Kenyan institutions such as universities and other research institutions are also not able to access information from the station which could be compounded by the fact that the Italian government was running the station with little involvement of the Kenyan employees in managerial positions.

#### (VII) Development Projects

Under the joint agreement between Kenya and the Italian government, KSh. 240 million was committed for Corporate Social Responsibility (CSR). The Committee toured some of the projects and observes that:-

- iv) It was not clear the process used to calculate and determine how much each project would receive.
- v) The Committee observes that management of the projects was also not all inclusive as there was no coordinating committee involving all key stakeholders in the management of the project. The Committee further observes that some of the community members were not satisfied with the management of the projects and felt that they were not involved in the process.
- vi) The Committee felt that the projects done with the grant from the Italian Government at the Malindi district hospital were of low standards and over quoted. For instance, construction of the x-ray building in 2012 at a cost of Ksh. 8 million was of poor quality as it already had signs of structural damage and leakages. The cabro works on the other hand were incomplete and over quoted.
- vii) The Ngomeni sea wall was ineffective and of very low standards as the ocean water was still able to pass through thus posing a threat of eroding the Ngomeni village. The

Committee felt that the sea wall was over quoted as the physical structure could not be worth the Ksh. 25 million quoted.

viii) During the inquiry, the Committee was informed that the Ngomeni development projects will be up scaled through a loan of Ksh. 600 million from the Italian Government. The Committee is however deeply concerned that the Italian Government will be funding the projects through a loan as opposed to a grant thereby further increasing the tax burden on Kenyans.

## CHAPTER FOUR: COMMITTEE RECOMMENDATIONS

Following its observations, findings and conclusions, the Committee therefore recommends that:-

1. Considering that Malindi is a geostrategic location for rocket launching and satellite tracking, the Government should enhance its oversight role in ensuring that the San Marco Space Application Centre maximizes its presence in Kenya in the enhancement of the Government's development agenda in education, research, communication and information. The Kenyan Government should be involved both at the technical and managerial levels to ensure sufficient supervision of operations and management and maximum utilization of benefits at the Space centre.
2. Considering Article II of the 1995 agreement states that the Government of Italy shall remit to Kenya 70% of fees earned from third parties, the Government should move with speed to establish all third party agreements currently in existence at San Marco and how much money Kenya is expected to have earned from these agreements in order to ensure that no revenue is lost.
3. The new San Marco agreement under review and all future agreements should be ratified by Parliament in accordance to with the Constitution 2010. The new agreement should correct the anomalies existing in the previous agreements and ensure it includes among others:-
  - i) Joint management of the facility;
  - ii) A clear framework for third party agreements and signing of third party agreements in the presence of the Kenyan Government;
  - iii) Provision for employment of Kenyans in senior managerial positions;
  - iv) Enhanced capacity building of Kenyans in space science technology;
  - v) Sharing of revenue gained from commercial services provided to users of the centre;
  - vi) Technology transfer and increased access to data collected;
  - vii) Use of satellite technology to address climate change, environmental risk factors and security; satellite based research; and
  - viii) A clear exit strategy in the likelihood that Kenya would like to manage the San Marco Space Application centre independently.
4. A proper framework on third party usage of the station should be formulated so that the Kenyan Government will be aware of the third party users of the station and how much

money is earned from these third party agreements. Further, the Kenyan Government should ensure that it is present at the signing of all third party agreements.

5. Article V of the draft agreement between the Government of Kenya and the Italian Government should be amended to specify that the Kenyan members of the Joint Steering Committee established therein shall represent Kenya on an interim basis pending the establishment of the Kenya Space Agency which shall take over implementation of the agreement.
6. Considering the importance of San Marco Space Application Centre to space science technology in the country and its establishment for peaceful uses, the National Council for Science and Technology under the Ministry of Higher Education, Science and Technology should take a lead role in the management and coordination of its activities. Other Government Ministries including the Ministry of Defence should play a supportive role in the management of San Marco activities.
7. The Ministry of Higher Education, Science and Technology should fast track the finalization of the National Space Science Policy and enactment of the National Space Science Bill which will establish the Kenya Space Agency and will be responsible for the coordination of space science activities in the country. The Kenya Space Agency which is established under the policy should be an autonomous agency and should be free to enter into bilateral/multilateral agreements with other Space Agencies World-Wide.
8. The Kenyan government should take a keen interest in the data/information gathered at the centre and ensure that this data/information can be accessed by its agencies, Universities and other institutions for use in research, education, disaster management, land use/land cover mapping, meteorology and maritime surveillance among others.
9. Bridging of the skills gap especially in the managerial, technical, legal and other related skills necessary for running the facility should be addressed immediately. Initial training of Kenyan staff in the above mentioned areas should be fast tracked to ensure Kenyan staff are available to take up senior positions at the centre. In this regard, the Kenyan Universities should develop programs for space science to enhance training of Kenyans in this field.
10. The funds contributed by the Italian Government for the development projects should be properly managed and the projects should be effectively implemented to ensure that the community benefits. In this regard, a coordinating committee that includes the community and other key stakeholders should be constituted to ensure that all key stakeholders are

fully involved in the identification, implementation and monitoring of the development projects.

11. The Government should ensure that qualified Kenyans are competitively recruited in senior managerial positions at the Space Centre and offered competitive remuneration and requisite benefits. The management of the centre should ensure that they adhere to the Kenyan labour laws with regard to employee matters.

12. The Government should strive to renegotiate with the Italian Government to convert the soft loans offered for development projects and the establishment of a space science programme at the Jomo Kenyatta University of Agriculture and Technology, into grants. The Committee recommends that in future, the Government should not take up loans for development projects but should ensure that they are funded through grants as part of Corporate Social Responsibility.

MINUTES OF THE 1<sup>ST</sup> SITTING OF THE JOINT DEPARTMENTAL COMMITTEES ON EDUCATION, RESEARCH AND TECHNOLOGY AND ENERGY, INFORMATION AND COMMUNICATIONS HELD ON WEDNESDAY, 2<sup>ND</sup> MAY, 2012 AT SMALL DINING ROOM, MAIN PARLIAMENT BUILDING AT 11:30 AM.

Present

- |                                    |                    |
|------------------------------------|--------------------|
| 1. The Hon. David Koech, MP        | - Co-Chairperson   |
| 2. The Hon. (Eng.) Rege, MP        | - Co-Chairperson   |
| 3. The Hon. Maina Kamau, M.P       | - Vice Chairperson |
| 4. The Hon. Emilio Kathuri, M.P    |                    |
| 5. The Hon. F.T. Nyammo, MP        | - Vice Chairperson |
| 6. The Hon. B.C. Muturi Mwangi, MP |                    |
| 7. The Hon. John Dache Pesa, MP    |                    |
| 8. The Hon. Alfred B. Odhiambo, MP |                    |
| 9. The Hon. Muhamed Sirat, MP      |                    |
| 10. The Hon. Shakila Abdalla, MP   |                    |
| 11. The Hon. David Njuguna, MP     |                    |
| 12. The Hon. Bare Aden Duale, MP   |                    |
| 13. The Hon. Ekwere Ethuro, M.P    |                    |

Absent With Apology

1. The Hon. (Dr.) Wilbur Ottichilo, MP
2. The Hon. (Dr.) Joyce Laboso, MP
3. The Hon. (Eng.) Nicholas Gumbo, M.P
4. The Hon. Cyprian Omolo, M.P
5. The Hon. Aden Duale M.P
6. The Hon. Joshua Kutuny, M.P
7. The Hon. Edwin O. Yinda, M.P
8. The Hon. (Prof) Phillip Kaloki, M.P
9. The Hon. Adan Keynan M.P

In Attendance:

Emmy Chepkwony  
Jacob Ngwele  
Mr. Derick Epae Koli  
Veronicah Kibati

Kenya National Assembly

- Third Clerk Assistant  
- Third Clerk Assistant  
- Third Clerk Assistant  
- Research Officer

Min.No. 1/2012:

Preliminaries

The Chairman called the meeting to order thirty minutes past three O'clock and thanked members for attending the meeting.

Min.No. 2/2012: Deliberations on the Mandate of the Joint Committee following the Speakers Directive to Carryout an Inauiry on the Status of San Marco Space Centre on Malindi

1. The Committee made reference to the *Question No.1106- 20*, by the Hon. Dr. Otichilo to the Minister of State for Defence on Wednesday, 18th April, 2012(A) on the status of San Marco Space application centre in Malindi.

The question by Hon. Dr. Otichilo sought answers on the following questions:

- (a) under what conditions the Kenya Government entered into agreement with the Government of Italy to establish the San Marco Space Application Centre at Ngomeni in Malindi in 1964 and whether he could provide an update on the current status of the centre, its future plans and programmes and also explain why the agreement was executed by the Department of Defence;
- (b) what the Centre has been used for and how much money the two governments have earned from the partnership venture to-date; and,
- (c) whether he could provide the names of Kenyans employed in senior management positions at the centre as well as the names and qualifications of Space Scientists from the Ministry.

2. The Committee then read through the Hansard report and appraised itself on the various deliberations and responses on the matter.

The Committee expressed concern that the Italian government had donated only Sh240 million to the local community since the establishment of the centre at Ngomeni and noted that the country had failed to reap maximum financial benefits from the project.

3. The Committee set the objectives of its inquiry to include the following:

- a. To review the contents of the agreement and flash out those clauses that have likely impeded Kenya from benefiting from the project.
- b. To do a thorough investigation and report to the House so that the House can take action as to whether to continue with this agreement and on what terms.
- c. To satisfy itself that Kenya has a fair deal in this matter.
- d. To carry out the right scrutiny, including going to the station itself and reporting to the House in two weeks with a report that essentially is going to put to rest the concerns of the House.
- e. To understand the circumstances under which the San Marco project was transferred from the Ministry of Higher Education Science and Technology to the Ministry of State for Defence.

The Joint Committee listed the following information to be provided to the Joint Committee by the relevant institutions.

- i. To provide the names of Kenyans employed in senior management positions at the centre as well as the names and qualifications of Space Scientists from the Ministry.
- ii. To provide the copies contracts that have since been signed on the item.
- iii. To provide data on the cost of a launch of a rocket and the number of rockets launched so far since 1964.
- iv. A copy of the documents tabled on the floor of the House on Wednesday 18<sup>th</sup> April 2012.
- v. How many satellites have been launched since 1964?
- vi. Who negotiated the first agreement? And who negotiated the subsequent agreements?
- vii. What are the dangers that Kenyans may be exposed to because of this satellite equipments?
- viii. What are the roles of the Dr. John Njoroge Kimani and Capt. Andrew Otieno Nyawade are they coordinating the process of the new negotiation or the actual works of the station itself?
- ix. Does the current agreement provide for the employment of Kenyans in senior management positions in the center?

The Committee noted the following key witnesses to be invited during the inquiry

1. The Inter-Ministerial Committee on the establishment of space agency in the country. (the Ministry of State for Defence, the National Council for

Science and Technology, the Ministry of Finance, the State Law Office, the Ministry of Foreign Affairs, the Ministry of State for Provincial Administration and Internal Security, the Ministry of Lands, the Ministry of Natural Resources, the Department of Resource Survey and Remote Sensing, Kenya Meteorological Department, the Regional Centre for Mapping and Resource Development, Kenya Civil Aviation Authority, Communication Commission of Kenya, Jomo Kenyatta University of Agriculture and Technology)

2. The former Minister for Science and Technology
3. The Minister for Defence
4. Various institutions and individuals who can appraise the Committee on the matter

The Committee observed that the country should not be committed to agreements whose effects are not known to its citizens and therefore recommended that before the signing of the agreement Parliament should be involved in the process of approval. The Committee further noted that the Government should not renew the agreement until the scrutiny on the matter by House is complete.

#### Min.No. 3/2012: Draft Work Programme

The Committee deliberated on its mandate and drew a programme to guide the inquiry as follows:

PROGRAMME OF BUSINESS FOR THE INQUIRY ON THE SAN MARCO SPACE APPLICANT CENTRE

Activity	Date	Time
1. Meeting of the two joint Committees to agreed on the mode of inquiry	2/5/2012	3.30 pm
1. Meeting with the Minister of Defence and the Minister for Higher Education, Science and Technology	3/5/2012	10.30 am
2. Meeting with the Inter-ministerial Committee on the establishment of the Space Agency in Kenya	9/5/2012	11.30 am
3. Meeting with Dr. John Njoroge Kimani and Capt. Andrew Nyawade	9/5/2012	3.30 pm
4. Meeting with: a. C.C.K b. University of Nairobi	16/5/2012	11.30 am
5. Meeting with: c. Coast Development Authority d. Kenya Maritime Authority	16/5/2012	3.30 pm
6. a. Visit to San Marco Space applicant Centre in Malindi b. Visit to projects funded by funds from the San Marco Centre in	18/5/2012	Morning

	Ngomeni Area, Malindi	19/5/2012	Morning
7.	Report Writing	27-28 <sup>th</sup> May, 2012	

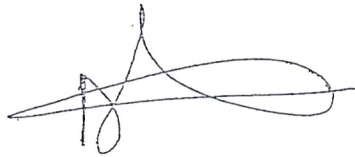
Min.No.4/2012: Any Other Business

- i. The Committee requested for an input from the legal department.
- ii. The Committee also resolved to expedite the visit to the centre once all the relevant parties had been interrogated.

Min.No. 5/2012: Date of the Next Meeting  
The date of the next meeting will be communicated by way of notice.

Min.no. 6/2012: Adjournment

There being no other business the meeting adjourned at 5.30pm.



SIGNED: .....

Hon. David Koech, MP- CO-CHAIRPERSON

SIGNED: .....

Hon. (Eng.) James Rege, MP- CO-CHAIRPERSON

DATE: 30<sup>th</sup> August, 2012 .....

MINUTES OF THE 2<sup>ND</sup> SITTING OF THE JOINT DEPARTMENTAL COMMITTEES ON  
EDUCATION, RESEARCH AND TECHNOLOGY AND ENERGY, COMMUNICATIONS  
AND INFORMATION HELD ON THURSDAY, 3<sup>RD</sup> MAY, 2012 AT SMALL DINING ROOM,  
MAIN PARLIAMENT BUILDING AT 11:30 AM.

Present

- |                                    |                    |
|------------------------------------|--------------------|
| 1. The Hon. David Koech, MP        | - Co-Chairperson   |
| 2. The Hon. (Eng.) Rege, MP        | - Co-Chairperson   |
| 3. The Hon. Maina Kamau, M.P       | - Vice Chairperson |
| 4. The Hon. F.T. Nyammo, MP        | - Vice Chairperson |
| 5. Hon. John Dache Pesa, MP        |                    |
| 6. The Hon. B.C. Muturi Mwangi, MP |                    |
| 7. The Hon. Muhamed Sirat, MP      |                    |
| 8. The Hon. Shakila Abdalla, MP    |                    |
| 9. The Hon. David Njuguna, MP      |                    |
| 10. The Hon. Bare Aden Duale, MP   |                    |

Absent With Apology

1. The Hon. (Dr.) Wilbur Ottichilo, MP
2. The Hon. Alfred B. Odhiambo, MP
3. The Hon. (Dr.) Joyce Laboso, MP
4. The Hon. (Eng.) Nicholas Gumbo, M.P
5. The Hon. Ekwere Ethuro, M.P
6. The Hon. Cyprian Omolo, M.P
7. The Hon. Aden Duale M.P
8. The Hon. Emilio Kathuri, M.P
9. The Hon. Joshua Kutuny, M.P
10. The Hon. Edwin O. Yinda, M.P
11. The Hon. (Prof) Phillip Kaloki, M.P
12. The Hon. Adan Keynan M.P

In Attendance:

Ms. Mary Chesire  
Mr. Derick Epae Koli

Kenya National Assembly

- First Clerk Assistant  
- Third Clerk Assistant

In Attendance:

Ms. Nancy Kirui  
Dr. John Njoroge Kimani  
Captain Adrew Nyawande

Ministry of State for Defence

- PS Ministry of State for Defence  
- Ministry of State for Defence  
- Ministry of State for Defence

In Attendance:

The Hon. Asman A. Kamama, MP  
Prof. Chripus Kiamba  
Prof. Shaurat A. Abdulrazak

Ministry of Higher Education, Science and Technology

- Assistant Minister  
- PS  
- Secretary/CEO NCST

Min.No. 07/2012:

Preliminaries

The Chairman called the meeting to order thirty minutes past eleven O'clock and thanked members for attending the meeting.

Min. No. 08/2012:

Meeting with the Ministries of State for Defence & the Ministry of Higher Education

The Committee was informed appraised as follows:

- i. The San Marco project was initiated in 1962 by an Italian retired General of the Air Force, Professor General Luigi Broglio of the University of Rome, La Sapienza. This was followed by the signing of a Bilateral Agreement in 1963 between the University of Rome on behalf of the Government of Italy and the Royal Technical College, Now the University of Nairobi on behalf of the Government of Kenya. The Agreement was ratified by the two Governments through exchange of letters dated 10<sup>th</sup> January, 1964 and subsequently extended by exchange of notes until 1<sup>st</sup> April, 1987. The agreement was reviewed between 1983 and 1986 and a new one signed on 1<sup>st</sup> April, 1987.
- ii. On the 3<sup>rd</sup> October, 1990, the Minister of State, Office of the President tabled to the Cabinet, cabinet memorandum CAB/(90)64 on the activities of the San Marco Satellite Launching and Tracking Station at Ngomeni in Malindi. This elicited the Cabinet Directive No. 11/90 of 23<sup>rd</sup> October, 1990, that directed the Minister of State, Office of the President to co-ordinate a comprehensive review/renegotiation of all the provisions of the 1987 Agreement and advise Cabinet, before a revised one is signed. The

Cabinet also directed the National Council for Science and Technology to coordinate an exercise to prepare a National Space Policy.

- iii. The amended version of the 1987 Agreement was presented to the Cabinet through Memorandum CAB (93) 55, which also sought the creation of the National Space Secretariat, as a precursor to the Kenya Space Agency, in the Ministry of State for Defence. The approval of the amended version of the 1987 Agreement and also the approval of the creation of the National Space Secretariat in the Ministry of State for Defence are contained in Minutes 62/93 of the Sixth Meeting – 1993, held on 12<sup>th</sup> August 1993. This was followed by the signing of the Agreement, on the 14<sup>th</sup> March, 1995 by the two Governments.
- iv. The validity of the 1995 Agreement expired on the 14<sup>th</sup> March, 2010 after fifteen (15) years. To allow time for negotiations, the Inter-Ministerial Committee of the San Marco Project recommended that, the validity of the Agreement be extended to 31<sup>st</sup> December, 2010. The validity of the Agreement has since been extended to 30<sup>th</sup> June, 2012 as negotiations continue.
- v. The two parties are in the process of concluding the implementation protocols. A Joint Steering committee will then be called in the month of May, 2012 to agree on the signing of the Agreement. Signing of the Agreement should be well before the expiry date of the 30<sup>th</sup> June, 2012 of the current extension of the validity of the Agreement. A draft agreement was under review.
- vi. The 1995 Agreement had set an annual rent of USD 50,000.00 (Kshs. 4,175,000.00) as the amount that the Government of Italy would pay to the Government of Kenya. The figure has since been raised to USD 100,000 (Kshs. 8,350,000.00). The figure will increase to USD 310,000.00 (Kshs. 25,885,000) when the Government of Kenya makes available additional land for the expansion of the station.
- vii. In the 1995 Agreement, Italy had promised to spend Euro 1,968,182 (Kshs. 216,500,020), on Ngomeni Community development projects. By last year, Italy had spent Kshs. 240,000,000 on community development projects (through the Ministry of Regional Development). Italy has promised to spend Kshs. 500,000,000 on community development projects in the new Agreement. This will be in the form of a soft loan. Italy has also promised a soft loan of Kshs. 500,000,000 for the establishment of a space science

- programme in Jomo Kenyatta University of Agriculture and Technology (JKUAT).
- viii. In the 1995 Agreement, Italy had promised to train Kenyans in Space Science and Technology as follows. 4 PhDs, 12 Engineers and 24 Technicians.
  - ix. The station has employed about 225 Kenyans. In 2009 for example, these Kenyans earned Euro 919,576.25 (Kshs. 101,153,387.75). In the same year, the station purchased materials and services from Kenya to the tune of Euro 1,280,860.76 (Kshs. 140,894,683.60).
  - x. The Government of Kenya is not required to pay any money to access the services of the station. Kenya needs to invest on a Direct Receiving Station at Malindi to receive data for the East and Central African Region. This would cost some Kshs. 200 million.
  - xi. During the 1995 agreement duration the following were trained in Space Science Technology. 5 PhDs, 3 MScs and 24 Technicians. All these experts are available to serve in the Kenya Space Agency. Kenya has many other experts in the Diaspora working for such establishments as NASA, ESA etc.
  - xii. Kenya must fast track the establishment of the Kenya Space Agency if she will take advantage of the opportunities that are being offered by Space Science and Technology. With an investment of some about Kshs. 6 billion, Kenya would put all required systems in place, have a vibrant Space Industry and be able to run the Malindi station on her own.
  - xiii. Accessing information from the station has been frustrating and the Italian government runs the station with little involvement of the Kenyans
  - xiv. The guidelines of the 3rd party agreements as stipulated by the agreement were not followed and revenue accrued from such agreements was not shared as required by the agreement.
  - xv. Kenya lacked the required infrastructure to utilize the information available at the station
  - xvi. All Space Science and Technology activities should be coordinated by the NCST and the Space agency once established should placed under the Ministry of Higher Education, Science and Technology.
  - xvii. The station was on a 3 hectares piece of land but negotiations were on-going on acquisition of a further 48.8 hectares. This land is owned by the Ministry of State for Defence.
  - xviii. The Inter-Ministerial Committee of San Marco Project oversees the implementation of the Agreement and represents the government in the

negotiations. The Inter-Ministerial Committee comprises the Ministry of State for Defence, Ministry of Higher Education, Science and Technology, Ministry of Foreign Affairs, State Law Office, Ministry of Lands, Communication Commission of Kenya, Kenya Civil Aviation Authority, Department of Resource Surveys and Remote Sensing, Kenya Meteorological Department and Jomo Kenyatta University of Agriculture Science and Technology.

- xix. The San Marco project has sponsored 5 PhD students in space science and technology and 24 technicians since its inception.
- xx. Kenya lacks the requisite infrastructure to tap and make use of the data from the station.
- xxi. Kenyans not involved in the management of the San Marco project and all information including the income and expenditure and 3rd party contracts could not be verified.
- xxii. The information on the San Marco project remained a mystery to many government departments despite the stipulates of the agreements that guaranteed free sharing of such information

#### **Committee's Observations**

- a) It was not clear under what circumstances the San Marco project was transferred from the Ministry of Higher education science and technology to the Ministry of State for Defence. The transfer brought antagonistic relationships between the two Ministries and disquiet. This in away accentuated and compounded the management problems related to the San Marco project and also brought about incoherent government approach in implementation of agreements and negotiations.
- b) The review of the agreements was necessary to correct the inequities and seek ways in which the government and the people of Kenya would have a stake in the management and benefits accrued from the project.
- c) The government stands to benefit more from the San Marco project if proper negotiations and implementation of the agreements was fast tracked

Min.No.09/2012:

Any Other Business

- i. The joint Committee agreed to invite various individuals who were involved in the running of the centre in the past to shed more light on the activities and the operations of the centre.
- ii. The joint Committee also resolved to expedite the visit to the centre once all the relevant parties had been interrogated
- iii. The joint Committee resolved to constitute a subcommittee to deliberate on the work programme and list the witness to be invited.

Min.No.10/2012:

Date of the Next Meeting

The next meeting will be held on 14<sup>th</sup> June, 2012.

Min.No. 11/2012:

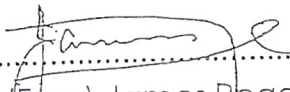
Adjournment

There being no other business, the meeting was adjourned at thirty five minutes past three o'clock.

SIGNED: .....

  
Hon. David Koech, MP- CO-CHAIRPERSON

SIGNED: .....

  
Hon. (Eng.) James Rege, MP- CO-CHAIRPERSON

DATE: .....

30<sup>th</sup> August, 2012

MINUTES OF THE 3<sup>RD</sup> SITTING (THE SUBCOMMITTEE) OF THE JOINT DEPARTMENTAL COMMITTEES ON EDUCATION, RESEARCH AND TECHNOLOGY AND ENERGY, COMMUNICATIONS AND INFORMATION HELD ON THURSDAY, 14<sup>TH</sup> JUNE, 2012 AT SMALL DINING ROOM, MAIN PARLIAMENT BUILDING AT 10:00 AM.

Present

1. The Hon. David Koech, M.P. - Chairman
2. The Hon. (Dr.) Wilbur Ottichilo, M.P.
3. The Hon. B. C. Muturi Mwangi, M.P
4. The Hon. Joshua Kutuny, M.P
5. The Hon. Edwin Yinda, M.P

In Attendance:

Mr. Jacob Ngwele  
Mr. Denis Mutua

Kenya National Assembly

- Clerk Assistant  
- Parliamentary Intern

Min. No. 12 /2012:

Preliminary

The proceedings commenced with a word of prayer at 11:15am

Min. No. 14 /2012:

Adoption of the agenda

1. Adoption of the Agenda
2. Confirmation of the Minutes of the previous sittings.
3. Deliberation on programme and the way forward on the inquiry of the status of San Marco Space Centre in Malindi
4. Any Other Business
5. Date of the Next Sitting

Min. No. 15/ 2012:

Deliberation on the Way Forward on the Inquiry

The Committee reviewed its programme and resolved to invite various individuals who have been involved in the running of the centre. It was further resolved that experts be invited to provide vital information regarding the centre as listed as below:

- 1) Prof. Malo J. Otieno.
- 2) Mr. David Andere - Retired former PS Ministry of Foreign Affairs
- 3) Dr. Farah Hussein.
- 4) Mr. Francis W. Wangusi - Ag. Director General CCK
- 5) Mr. Evans Mukolwe - Retired Chairman Kenya Meteorological Department

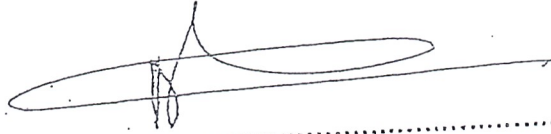
- 6) Conduct a tour of the San Macro Space Center in Malindi, in order to gather more information on the facility.

The Committee adopted its programme with a resolution to hold its first sitting with the experts on the Tuesday 19<sup>th</sup> June 2012 at 3.30pm.

Min. No. 16/2012:

Adjournment

There being no other business and the time being five minutes past twelve o'clock, the meeting adjourned.



SIGNED: .....

HON, DAVID KOECH M.P. CHAIRMAN

DATE: .....

30<sup>th</sup> August, 2012

MINUTES OF THE 4<sup>TH</sup> SITTING OF THE JOINT DEPARTMENTAL COMMITTEES ON  
EDUCATION, RESEARCH AND TECHNOLOGY AND ENERGY, INFORMATION AND  
COMMUNICATIONS HELD ON TUESDAY, 19<sup>TH</sup> JUNE, 2012 AT MEDIA CENTRE, MAIN  
PARLIAMENT BUILDING AT 10:00 AM.

Present

1. The Hon. David Koech, MP - Co-Chairperson
2. The Hon. (Eng.) Nicholas Gumbo, M.P - AG Co-Chairperson
3. The Hon. (Dr.) Joyce Laboso, MP
4. The Hon. (Dr.) Wilbur Otlichilo, MP
5. The Hon. Muhamed Sirat, MP
6. The Hon. Shakila Abdalla, MP
7. The Hon. Cyprian Omolo, M.P
8. The Hon. Edwin O. Yinda, M.P
9. The Hon. Emilio Kathuri, M.P

Absent With Apology

1. The Hon. (Eng.) James Rege, MP - Co-Chairperson
2. The Hon. Maina Kamau, M.P
3. The Hon. Alfred B. Odhiambo, MP
4. The Hon. Ekwere Ethuro, M.P
5. The Hon. Aden Duale M.P
6. The Hon. Joshua Kutuny, M.P
7. The Hon. (Prof) Phillip Kaloki, M.P
8. The Hon. Adan Keynan M.P
9. The Hon. F.T. Nyammo, MP
10. The Hon. John Dache Pesa, MP
11. The Hon. B.C. Muturi Mwangi, MP
12. The Hon. David Njuguna, MP
13. The Hon. Bare Aden Duale, MP

In Attendance:

Ms. Emmy Chepkwony  
Mr. Jacob Ngwele  
Mr. Derick Epae Koli  
Mr. Denis Mutua  
Ms. Lynnete Ofieno

Kenya National Assembly

- Clerk Assistant  
- Clerk Assistant  
- Clerk Assistant  
- Parliamentary Intern  
- Parliamentary Intern

In Attendance:

Mr. David Anderé (EBS)  
Mr. Evans Mukolwe

Witnesses

- Retired former PS Ministry of Foreign Affairs  
- Retired the Kenya meteorological department

Min.No. 17/2012:

Preliminaries

The Chairman called the meeting to order at twenty five minutes past ten O'clock.

Min. No. 18/2012:

Meeting with the Mr. David Anderé. EBS and a Retired PS Ministry of Foreign Affairs

1. The Committee made reference to its invitation letter to Mr. Anderé requiring him to appraise the joint Committee on the issues related to the San Marco project:

The Joint Committee was appraised as follows:

- The project was initiated in 1962 by an Italian retired General of the Air Force, Professor General Luigi Broglio of the University of Rome, La Sapienza. This was followed by the signing of a Bilateral Agreement in 1963 between the University of Rome on behalf of the Government of Italy and the Royal Technical College, Now the University of Nairobi on behalf of the Government of Kenya. The Agreement was ratified by the two Governments through exchange of letters dated 10<sup>th</sup> January, 1964 and subsequently extended by exchange of notes until 1<sup>st</sup> April, 1987. The agreement was reviewed between 1983 and 1986 and a new one signed on 1<sup>st</sup> April, 1987. In other words the agreement had been negotiated between the Italian Government and the Colonial Government of Kenya- a subsidiary Agreement entered into between the Royal Technical College in Nairobi (the Department of Physics and the University of ROME).
- a) the original nomenclature of the station was to be a rocket launching and Satellite Tracking facility. The basic Scientific and technological rationale of San Marco Station was conceived following the successful launching of rockets into space for a variety of uses. The location of Malindi in Kenya was due to its strategic Geostationary Orbit to Launch and Track different rockets into space.

- b) Malindi has been operational as a Launching and Tracking Station since 1962/1963.
- c) The fresh negotiation on the renewal of the agreement was informed by the fact that Kenya had attained independence.
- d) Unlike the early arrangement the government of Kenya was obliged to determine the institutional arrangements to take charge of the San Marco Satellite Launching and Tracking Station- under the Ministry of Natural Resources with indeed the Ministry of Foreign Affairs and the Attorney General Chambers playing their role and the department of physics at the University of NAIROBI- being the operational arm- and then subsequently the formation of the National Science and Technology Council.
- e) The Agreement so agreed upon by the two Governments spelt out the benefits that were to be accrued by both Governments – mainly in the field of Technology; Research, and Training in relevant Space Sciences fields. These would also include Electronics, Hardware, satellite Engineering, Software Development and computer application.
- f) there is need to take an audit of the benefits the Kenya has accrued from the San Marco Project.
- g) That there is need for the centre because the International Scientific Community recognizes the role and importance of Satellites Launching and Tracking facilities in the World of Exploration and Peaceful Uses of Outer Space- This was from scientific, Technological and security reasons.
- h) The joint Committee sought to understand the circumstances under which the San Marco project was transferred from the Ministry of Higher education science and technology to the Ministry of State for Defence and heard that it was done because of security reasons. The Committee expressed dissatisfaction stating that the peaceful uses of satellite outweigh security because Kenya is a developing country and its satellite facility should help in research and technological growth of the country as well as generate data for metrological purposes to which the country can benefit from early warning systems and Kenya does not need satellite to spy on others.

Min. No. 19/2012:

Meeting with the Mr. Evans Mokolwe a Former  
Member of the Management Committee of San  
Marco Project.

Mr. Mokolwe appraised the joint Committee on the following issues related to the San Marco project;

- i. The Benefits of using satellite technology in weather forecasting and how the San Marco Space Applicant's Centre could help Kenya in weather forecasting;
- ii. The benefits Kenya (the meteorological department) could derive or should have derive from the Centre; and
- iii. Presented proposals (if any) on the contents of the new agreement between the Government of Kenya and the Italian Government over the Centre.

The joint Committee heard that;

1. There are two types of satellites geostationary satellites and polar orbiting satellite. The meteorological community is more interested in the geostationary satellites for the reasons that geostationary satellites focus their eyes on one particular space on the ground;
2. Africa is served by geostationary satellites launched by the European Space Agency and the latest satellite - loaded with new technology - was launched in 2002;
3. Mr. Mokolwe was the one in charge of the project to ensure that Africa had ground segment to receive the data from those satellites. He got the European Union to finance a continental project that provided a segment for the whole of Africa. He got access to many restricted facilities around the world even ones that manufactured the said satellites. It is this background that he got to learn about the San Marco Space Centre in Malindi.
4. Basically the European geostationary satellites are launched from the French Guyana and that launch pad there is a station that monitors the taking off the satellites, the next station that sees it going on is Natal in Brazil, San Marco in Malindi is the last station in the world that tells if the launched satellite has been deposited safely into orbit. Therefore San Marco space Centre is situated in Malindi, Kenya because of its geostrategic location on earth.
5. Satellite operators including NASA, Chinese, Russians and even Indians use the San Marco Station in Malindi.
6. Meteorological department in Kenya prefers data from geostationary satellites because: they can use the data to map clouds movements' in every 15 minutes; They can also derive wind vectors from those same cloud movements( as wind is very important for weather forecast); they also derive sea surface temperatures from the data ( sea surface temperatures help monitor El Ninos ); the satellites also are vital for

- communication as they allow for quick and effective dissemination of information from unmanned stations (in very remote areas).
7. San Marco also launches probes into space and these probes are very important for meteorologists as they collect weather information but unfortunately they do not share such information with the Kenyan counterparts (Meteorological department).
  8. San Marco-Space Centre could also re-distribute information gathered by other satellites to the Kenyan government.
  9. Unfortunately the Italians did not hold the end of their bargain because according to the previous agreement signed, they were supposed to train Kenyans to be at par with them (when it came to space engineering) but instead the reality on the ground is that Kenyans play a peripheral role in the operations of the centre and are mainly technicians, cooks or guards. They were meant to train Kenyans up to the level of space engineers.
  10. His efforts and others to safeguard the interests of Kenya went it came to implementing the agreement, were frustrated by some officials in state house in collaboration with the Italians.
  11. According to him, the benefits that Kenya should have derived from the agreement with Italians over the project were mainly three: Training of Kenyans up to the level of the Italian counterparts i.e. space engineers; Accessibility of the local community to the centre; Revenue sharing i.e. this is because the users of the services usually paid lumpsum amounts to have their satellites launched into space
  12. He was of the view that the San Marco project should fall under the Ministry of Higher Education, Science & Technology, and not under the Ministry of Defence. This was because under the Ministry of Defence, Kenyans will be restricted from scrutinizing the operations of the centre and thus shield the Italians from being accountable to the Kenyan people. The centre therefore should ideally fall under the Ministry of Higher Learning, Science & Technology because Kenyans mainly need the centre for development and technological advancement. — —
  13. The Centre should be run by civilians and the Defence could come in as partners since most of what they need or data that they tag as bordering to security can be managed and controlled.
  14. The Italians mainly serve the interests of the European Space Agency and this is clearly outlined in the agreement.
  15. For Kenyans to avoid exploitation, the government should ensure that the National Science Council of Kenya is brought on board and made in charge of the centre and not the Rome University. The centre should revert back to Kenyans because time has elapsed for the Italians.

#### Committee's Observations

The Committee observed, that:-

- there have never been proper negotiations and implementation of the agreements and that the agreements have been too sketchy only benefiting the Italian Government.
- A review of the Agreements showed that Kenya did not as a matter of fact accrue the benefits in the agreement.
- The transfer of the San Marco project from the Ministry of Higher education science and technology to the Ministry of State for Defence is has resulted to the overemphasis of security use of the satellite rather than the scientific use. It has also accentuated and compounded the management problems related to the San Marco project and brought about incoherent government approach in implementation of agreements and negotiations.

Min.No.20/2012:

Any Other Business

- i. The Committee resolved to visit San Marco Space Centre with some experts with the facilitation of Parliament.
- ii. The Committee also resolved to expedite the visit to the centre once all the relevant parties had been interrogated

Min.No.21/2012:

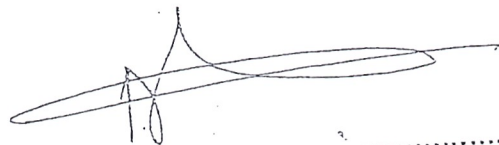
Date of the Next Meeting

The next sitting was to be held the same day 19/6/2012 at the Committee room 9, main Parliament Buildings at 3.30pm.

Min.No.22/2012:


Adjournment

There being no other business, the meeting adjourned at thirty minutes past Twelve O'clock.



SIGNED: .....

Hon. David Koech, MP- CO-CHAIRPERSON

SIGNED:  .....  
Hon. (Eng.) James Rege, MP- CO-CHAIRPERSON

DATE: 30<sup>th</sup> August, 2012 .....

MINUTES OF THE 5<sup>TH</sup> SITTING OF THE JOINT DEPARTMENTAL COMMITTEES ON  
EDUCATION, RESEARCH AND TECHNOLOGY AND ENERGY, COMMUNICATIONS  
AND INFORMATION HELD ON THURSDAY, 19<sup>TH</sup> MAY, 2012 AT COMMITTEE ROOM 9,  
MAIN PARLIAMENT BUILDING AT 3:30 PM.

Present

1. The Hon. David Koech, MP
2. The Hon. Edwin O. Yinda, MP
3. The Hon. Shakila Abdalla, MP
4. The Hon. F.T. Nyammo, MP
5. The Hon. (Dr.) Wilbur Ottichilo, MP
6. The Hon. (Eng.) Nicolas Gumbo, MP
7. The Hon. Emilio Kathuri, MP
8. The Hon. B.C. Muturi Mwangi, MP
9. The Hon. Aden Duale M.P

- Co-Chairperson  
- Ag. Co-Chairperson

Absent With Apology

1. The Hon. (Eng.) Rege, MP
2. The Hon. Alfred B. Odhiambo, MP
3. The Hon. (Dr.) Joyce Laboso, MP
4. The Hon. Muhamed Sirat, MP
5. The Hon. Maina Kamau, M.P
6. The Hon. Alfred B. Odhiambo, MP
7. The Hon. Ekwee Ethuro, M.P
8. The Hon. Joshua Kutuny, M.P
9. The Hon. (Prof) Phillip Kaloki, M.P
10. The Hon. Adan Keynan M.P
11. The Hon. John Dache Pesa, MP
12. The Hon. David Njuguna, MP
13. The Hon. Bare Aden Duale, MP

- Co-Chairperson

In Attendance:

Ms. Emmy Chepkwony  
Mr. Jacob Ngwele  
Mr. Denis Mutua  
Ms. Lynette Otieno

Kenya National Assembly

- Clerk Assistant  
- Clerk Assistant  
- Parliamentary Intern  
- Parliamentary Intern

In attendance:

Mr. Francis Wangusi

Communication Commission of Kenya

- Ag Director CCK

Min.No. 23/12

Preliminaries

The Co-Chairman Hon. Koech called the meeting to order at 3.50 pm and opened with a word of prayer.

Min.No.24/2012:

Submissions from Joseph Malo

The agenda of the sitting also included a meeting with Mr. Joseph Malo who was unable to attend the meeting. He however sent an email highlighting the information that he would be sharing with the Committee at a later date in July to be confirmed by the Joint Committee. This letter was read by Hon. Nicolas Gumbo and contained the following:

1. San Marco Capacity- Telemetry services that caters for many space agencies including: NASA, ESA, British Space Agency, Japan Space Agency, Russian Space Agency, Chinese Space Agency etc.
2. The fees run into billion of shillings and this is because of the unique position Malindi is in the globe. It is at the geometric equator- A Natural resource which Kenya's needs to the fullest( Ref: Malo's KIRO Project he sent to NCST- Fundamental Space S&T Research in Astrophysics, Astronomy and Cosmology.
3. The establishment of European Space Agency Remote Sensing Centre opened up enormous possibilities of peaceful application of Space S & T for: environmental management; fishing; sea level rise; mangrove forest; flooding and drought, disaster preparedness and emergency response e.t.c. The station will also provide gainful employment for Kenyan space scientists and technicians.
4. The signing of the 15 year MoU from 1995 opened up training possibilities for Kenyan scientists and engineers up to Msc. and PhD in Italian Universities starting with University of Rome La Sapienza. During his time they trained quite a few people and also conducted very successful Technician Training Workshops biannually at San-Marco. The MoU stated very clearly that Kenya must be paid from the fees paid from to San Marco for services rendered to the other foreign space agencies , and also stipulated that San Marco must practice to cooperate be socially responsible to the locals through, the Ngomeni Development Project, schools, clinics, boreholes, roads, and also employ locals at the centre

5. He constantly maintains (even during his time) that the project has nothing to do with defence. The most appropriate and suitable institution was according to him, the ministry of Science and Technology in collaboration with ministry of Environment because of the Remote Sensing Station aspect. The fact of the matter is that Kenya does not have a secret eye i.e. a satellite in space to spy on others, and we do not need one. Thus the role of the Ministry of defence is not vital but in any way it could serve on the Board in order to be informed.

Min.No.25/2012: Submissions from Francis Wangusi, AG. Director General CCK

The agenda of the sitting also included a meeting with Mr. Francis Wangusi. The objective of the meeting was for Mr. Wangusi to appraise the joint committee on matters relating to the status of San Marco Space Centre and the key issues were as follows;

- i. What is the role of San Marco Space Applicant's Centre(the Centre) in telecommunications and satellite technology;
- ii. What were his views on the role of the Centre in Kenya and Africa as a whole;
- iii. What benefits will Kenya derive or should have derived from the Centre;
- iv. In his opinion which Government institution is well suited to handle matters relating to the Centre;
- v. What are his proposals on the contents of the new agreement between the Government of Kenya and Italy over the centre?

**The Committee heard that;**

1. The San Marco Express Center started in 1957 and was mainly between the government of Italy and the United States of America. Its objective was to help the Italian government be able to launch small satellites to space for atmospheric and ionospheric studies.
2. Malindi is an ideal location due to its geographical position within the equator. However there was no proper agreement as to how the facility (San Marco Space Application Centre) would be used in Kenya as the Italians were the ones who crafted the agreement.
3. The Italians had two platforms set up; one was to launch rockets in the lower atmosphere mainly for ionospheric study and the other to support the launch of the rockets. They started launching rockets in 1968 but stopped in 1988 due to issues mismanagement.
4. They also put up a telemetry station whose purpose was to monitor and track the launch of the rockets into the space. Malindi became the first

station to be able to monitor satellites immediately they were placed in space. The station was used to ensure that those satellites were correctly positioned into orbit. The functions of the Satellites were communication, remote sensing and navigation.

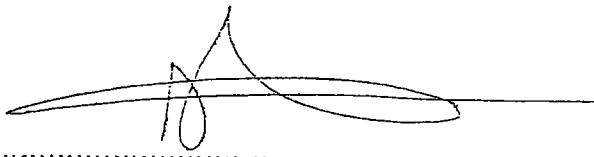
5. There is a remote sensing station at the centre that could cover data at radius of 2000km from the satellite at Malindi and whose information could be useful to East and Central Africa and the West of the Indian Ocean. However, the Italian Government has hardly shared the information and data gathered with the Kenyan Government.
6. There were about five students sponsored by the Italian government to study up to space engineering level in the Italian Universities.
7. The Kenya Space Secretariat was set up to audit the space resources that Kenya had and how they could utilize. Further make proposals how the Secretariat could to move to: become a space agency, how Kenya could participate in the activities of San Marco and the resources hidden within satellite tracking, command and telemetry that the Government was not fully aware of.
8. The scholarships offered by the Italian Government were administered by the Ministry of Defence and thus he was not sure of the exact names of the Scholarships, though he had met some of the student beneficiaries.
9. The remote sensing station is already set up at Malindi, under the management of the Italian government with few Kenyans having a peripheral role. There is sharing of data with Kenya Universities however there is a greater desire for other facilities to be made available to the local universities and Kenyan scientists.
10. The platforms have been eroded and the rockets are no longer launched at Malindi. It would require huge financial investment to start launching rockets again.
11. The serious activities currently being done at Malindi are with regard to tracking command, telemetry on behalf of other space agencies such as the European space agency- which Italy is a member of. However Kenya is not aware of how much the Italians are paid for these services as they are not fully part of the San Marco station.
12. If Kenya was to renew agreement with the Italians he (Mr. Wangusi) would recommend for greater participation by Kenyans and more access to raw data received by the satellites at the station to part of the agreement.

13. There were attempts to put a framework to govern space resources when they were establishing a National Space secretariat. However if Kenya is to renew the agreement there's need for a proper framework to operate the San Marco station. The station's Board should comprise both Kenyan and Italian Representation and the employment should favor Kenya in order to contribute to capacity building. Further a proper framework on third party usage of the station so that the Kenyan Government would be able to know who exactly uses the station and how much is paid for services, this would enable Kenya to know the exact monetary benefit of the station and the exact information taken out of the station and this would enhance security on the exact usage of the station.
14. He has not cited any situation of pressure, but there has been a sense of urgency by the Italian Government for the Memorandum of Understanding to be concluded as the current agreement has lapsed.
15. He's proposal was that members be taken through the draft agreement to their satisfaction and the same be tabled before Parliament for transparency purposes, As presently any agreement Kenyan enters into can be binding in law.
16. There is an inter-ministerial committee dealing with the San Marco issue headed Ambassador Nancy Kirui who is the Permanent Secretary Ministry of Defence. The committee has well documented contributions and proposals on the issue which could be of use to the Committee.
17. On the issue whether the Center is pursuing security issue it may be difficult to for him to know. He was of the view the best Kenya can do is to know the technology rather than hide it and take up the Station as one for peaceful use of space resources, which is guided by UNICOPAS.
18. The Best ministry in his view under which the project should fall under is Ministry of Higher Education, Science and technology.

Min.No. 26/2012:

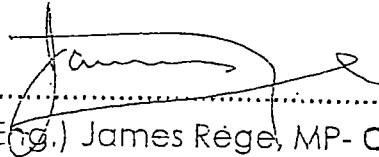
Adjournment

There being no other business and the time being quarter to five o'clock, the chairman adjourned the meeting.



SIGNED: .....

Hon. David Koech, MP- CO-CHAIRPERSON



SIGNED: .....

Hon. (Eng.) James Rége, MP- CO-CHAIRPERSON

DATE: 30<sup>th</sup> August, 2012 .....

- The laboratory and library though well constructed, needed to be stocked with lab equipment and books respectively for useful utilization of the facilities.
- The school lacked a dining hall but the Committee was informed that this would be factored in the upscale project.

#### 2.5.8.3 New Ngomeni Health Centre

- The Committee while on a tour of the New Ngomeni Health Centre was informed that the project had cost KSh. 35 million. The health center was a level three hospital but was yet to be designated as such by the Ministry of Health.
- The health centre received about 100 to 120 patients a day. However, the serious medical cases were referred to Malindi district hospital.
- The Committee observed that:-
  - The construction works of the health centre were of high quality.
  - There was a shortage of medical personnel as there were only two (2) nurses and one (1) clinical officer at the health centre.
  - The health centre lacked adequate supply of medicine. The Committee established that the health centre did not even have basic painkillers such as panadol.
  - The Health Centre did not have an ambulance and had to rely on one from the San Marco Center in case of emergencies. They had however made a request for one.

#### 2.5.8.4 Ngomeni sea wall

- The Committee toured the Ngomeni sea wall and observed that although the project was said to cost KSh. 25 million, the physical structure did not reflect the amount quoted. Further, the Committee observed that the sea wall in some areas was not effective as the ocean water was still able to rise above it and therefore pose a threat of eroding the Ngomeni village.

### 2.6 MEETING WITH THE MINISTER FOR DEFENCE

The Committee held a wrap up session with the Assistant Minister for Defence the Hon. David Musila, MP on Thursday, 9<sup>th</sup> August 2012. He was accompanied by the PS Amb. Nancy Kirui and other Ministry officials.

The Minister informed the Committee that:-

- i) The new agreement was still being negotiated and had not yet been signed.
- ii) The Office of the Prime Minister (OPM) had communicated to the Ministry requesting it to sign the agreement by 28<sup>th</sup> August, 2012. This however was not a directive but rather a concern from the OPM which is mandated with co-coordinating the activities of Government.
- iii) The Government business that has stalled due to the delay in signing the agreement was mainly the payment of rents by the Italian government. The Ministry has however extended the agreement for a year in order to avoid creating a vacuum where investors may construe it to mean that the agreement had been rejected.
- iv) The Minister stated that the San Marco Project could be used for peaceful purposes but it could also be used for Defence purposes. He was of the view that the Cabinet made a prudent decision in transferring the facility to Defence Ministry and that the Cabinet did not need any law since it was its prerogative to assign and transfer functions to any of its Ministries. He was of the opinion that the project should remain under the Ministry of Defence because the activities of the facility in general including launching of rockets touch on national security. Further, in many countries with similar facilities, they are run by the armed forces.
- v) The Minister admitted to the failure by Government institutions to fully utilize the facility including the Ministry of Defence, Meteorological Department and the Ministry of Higher Education, Research and Technology. The Minister however sought to assure the Committee that in the new agreement, a clear framework of engagement with Government agencies will be defined.
- vi) The Minister admitted that there was no clear system of monitoring and collecting the 70% fee from the third parties therefore it was difficult to establish how much third party agreements have earned so far. He stated that no fees had been collected since the agreement was signed in 1995 and that the Italian Government had only recently started paying the rents.
- vii) With regard to the concern raised by the Committee that the Italian Government was providing a soft loan instead of a grant for the development projects, the Minister stated that soft loans were not conditional like other bilateral loans offered to Kenya.

MINUTES OF THE 6<sup>TH</sup> JOINT SITTING OF THE DEPARTMENTAL COMMITTEE ON EDUCATION, RESEARCH AND TECHNOLOGY & THE DEPARTMENTAL COMMITTEE ON ENERGY, COMMUNICATIONS AND INFORMATION HELD ON JULY 19<sup>TH</sup>, 2012 AT COMMITTEE ROOM 2<sup>ND</sup> FLOOR CONTINENTAL HOUSE , PARLIAMENT BUILDINGS AT 10.00 A.M.

Present

- |   |                   |
|---|-------------------|
| 1. The Hon. (Prof) Phillip Kaloki, M.P  | -Ag. Co- Chairman |
| 2. The Hon. John D. Pesa, M.P           | -Ag. Co- Chairman |
| 3. The Hon. David Njuguna, M.P.         |                   |
| 4. The Hon. Alfred Bwire Odhiambo, M.P. |                   |
| 5. The Hon. (Eng.) Nicolas Gumbo, M.P   |                   |
| 6. The Hon. Emilio Kathuri, M.P         |                   |
| 7. The Hon. Edwin O. Yinda, M.P         |                   |
| 8. The Hon. (Dr.) Joyce Laboso, M.P.    |                   |
| 9. The Hon. Ekwee Ethuro, M.P           |                   |

Absent With Apology

1. The Hon. (Eng.) James Rege, M.P.
2. Hon. David Koech, M.P.
3. Hon. F. T. Nyammo, M. P.
4. The Hon. Cyprian Omollo, M.P
5. Hon. (Dr.) Wilbur Ottichilo, M.P.
6. Hon. B. Muturi Mwangi, M.P.
7. The Hon. Maina Kamau, M.P
8. The Hon. Ekwee Ethuro, M.P
9. The Hon. Peter Kiilu M.P
10. The Hon. Aden Duale, M.P
11. The Hon. Joshua Kutuny, M.P
12. The Hon. Gideon Mbuvi, M.P
13. Hon. Mohammed Sirat, M.P
14. Hon. Shakilla Abdalla, M.P.

In Attendance

Mr. Jacob Ngwele  
Mr. Derick Koli  
Ms. Veronica Kibati

Kenya National Assembly

- Clerk Assistant  
- Third Clerk Assistant  
- Research officer

Mr. Denis Mutua  
Ms. Lynette Otieno

- Parliamentary Intern  
- Parliamentary Intern

Min.No. 27/2012: Preliminaries

The Chairman called the meeting to order at thirty minutes past ten o'clock and started with a word of prayer. Thereafter, the Chairman welcomed the members present in the meeting and the invited guests to introduce themselves.

Min. No. 28 /2012: Adoption of the Agenda

1. Adoption of the Agenda
2. Meeting with Prof. J. Malo-Otieno and Dr. Farah Hussein- Regarding the status of the San Marco Application Centre in Malindi.
3. Any Other Business
4. Adjournment

Min.No. 29/2012: Meeting with Prof. Malo J. Otieno on the Status of San Marco Space Application Centre in Malindi

The Committee heard that Prof. Malo was a Professor of Physics and had taught at the University of Nairobi (UoN) from 1968 to date. His area of specialization was both nuclear and space science. He had been involved in the San Marco Centre since 1970. It is for this reason that the joint committee had invited him. He was to inform the joint committee on the following:-

- 1) What capacity the San Marco Space Applicant's Centre (the Centre) had built for Kenya?
- 2) What benefits would Kenya derive or should have derived from the Centre?
- 3) Which Kenyan government institution was well suited to handle matters concerning the Centre? Why had the Department of science under the ministry of Education over the years had become inactive in its participation in the Centre?
- 4) Whether the chemical substances released by the rockets launched from the Center were harmful to Kenyans?
- 5) How many acres of land had been allocated to the San Marco project?
- 6) Why the ministry of Defence discontinued Prof. Malo's attendance to their meeting.

- viii) On the issue of employment of Kenyan staff at the centre, the minister informed the Committee that the Kenyan employees at the Centre are paid above the existing market rates. He nevertheless agreed that their terms of employment needed to be improved. He promised to ensure that the new agreement rectifies this anomaly and that the Italians will be required to follow the labour laws of the country.
- ix) The Minister requested the joint Committee to allow the Defence Ministry to continue supervising the management of San Marco in order to allow for continuity as it will ensure coordination of other involved Government agencies.
- x) The Minister assured the Committee that the new agreement has included joint management and administration of the San Marco facility between the Italians and Kenyans.
- xi) He further assured the Committee that he was going to postpone the signing of the agreement until the Committee finalizes and tables its report so that the final agreement can include the Committee's inputs and recommendations. He committed to write to the Prime Minister seeking postponement of signing the agreement and confirming the same in writing to Parliament.

## CHAPTER THREE: COMMITTEE OBSERVATIONS, FINDINGS AND CONCLUSIONS

### ) Benefits of San Marco

During the inquiry, the Committee heard that the geographical position of San Marco Space Application Centre on the equator is strategic and of great significance in the field of space science. The Committee also heard that the benefits of San Marco included use of data collected in areas such as meteorology and remote sensing; financial benefits from third party users; training and employment of Kenyans among others. The Committee established that the data collected has not been shared with Kenyan institutions and that payment from third party agreements had not been received by the Government.

- iii) The Committee observes that Kenya is not taking advantage of the geostrategic positioning of the Centre to establish itself as a leader in space science and technology and that space science research has been very minimal in the country.
- iv) The Committee observes that San Marco Space Centre is underutilized and has not been of great benefit to Kenya considering the data collected has not been shared with Kenya and used to benefit the country in areas such as education, research, remote sensing, meteorology and maritime security among others. Further, no funds collected from third party users have been remitted to the Kenyan Government.
- v) The Committee further observes that the amount of data being collected from third party entities was colossal and Kenya was bound to lose both financially and technologically if they continued to relegate the administration of the facility to the Italians.

### (II) The Agreement between the Kenyan and Italian Governments

The Committee heard that the bi-lateral agreement between the Kenyan Government and the Italian Government first signed in 1962 has since been renewed three times, the last time being in 1995. The agreement spelt out the responsibilities of the two Governments in the project. The 1995 agreement expired on 14<sup>th</sup> March, 2010 and was extended until December 31<sup>st</sup> 2010, June 2012 and again until June 2013 as negotiations for the new agreement are taking place.

- iii) The Committee notes with concern that the Italian Government was not honouring some of the Articles as stipulated by the 1995 agreement. These include:-

- 7) How was San Marco adopted as the official name of the Centre?
- 8) How are the funds allocated for corporate social responsibility monitored, as there were no significant ongoing developmental projects within the community surrounding San Marco?
- 9) What was his professional opinion concerning the best ministry to control San Marco Application Centre.

Min. No. 30/2012:                    Meeting with Prof. J Malo a Former Representative of UoN at the San Marco Centre

Prof. Malo informed the Committee that:

- 1) there was an agreement between the Kenya Government and the Italian Government; however Kenya was not benefitting from the Agreement.
- 2) the UoN department of Physics department was involved in the Centre due to the physics involved in the running of the programmes.
- 3) He was represented UoN at the San Marco Centre due to his area of specialization in space and nuclear science.
- 4) In 1995 he joined a Committee under the Ministry of Defence. The Committee together with representatives of the Italian Government came up with a 15year Agreement that was to run from 1995 to 2010. This Agreement stipulated the responsibilities of the two governments.
- 5) The major responsibility of the Kenyan government was to provide land to build the Centre, security, and citizens to be trained by the Italians.
- 6) The major responsibility of the Italian government was to provide scholarships to Kenyans to study in the area of space science from the Master of Science level to the Doctorate level.
- 7) There were six or seven PhD students trained at UoN, the aim was to have the trainees work at the Centre. However only one student was working at the Centre, while another was a lecturer at UoN and the others entered into employment under the various Government Ministries.
- 8) After the year 2000 Ministry of Defence did not invite him for their meetings concerning San Marco. He therefore was not of whether any new agreement had been signed or whether any Kenyans had been trained.
- 9) While at the Centre, he had insisted that the Italians hold trainings every 2years to train Kenyan technicians; however he was not aware if the trainings were still being conducted.
- 10) The Agreement between the Kenyan and Italian government stipulates that any third party use of the Centre must be approved by the Kenyan

Government. Third parties had been paying to use the Centre however Kenya was not getting any of the money. An example of this was the use of the centre by the European Space Agency (ESA), which Kenya was not gaining from.

- 11) In his opinion San Marco should be under the Ministry of Higher Education, Science and Technology and not the Ministry of Defence. There were no satellites that could be used for purposes of defence so the Ministry of Defence had no business controlling the centre.
- 12) Remote sensing was to help in socio-economic development; Kenya was to get data from the Centre for free.
- 13) The benefits Kenya can derive from the Centre include: To advance the training of Kenyan in space and science and Technology (However initially San Marco had only Italian technicians and he stated that he was not aware whether Kenyan technicians had been absorbed); and remote sensing is beneficial for socio-economic development as it can be used to monitor fishing and maritime movement.
- 14) Ministry of Defence can participate in the activities of the Center however the Center should not be under it. The main reason for this was that the centre was created to promote science and technology in the country and once the ministry of Defence started to control the centre it became shrouded with mystery and its activities and operations became opaque.
- 15) In 1960, when he joined the University of Nairobi he was initially only interested in data collection however he was later requested to join San Marco which was under the Ministry of Defence. He was thus not aware of the reason for assignment of San Marco under the defence ministry.
- 16) The rockets that were being launched by the Centre were scout rockets, which are no longer being manufactured. The rockets do not pose any threat to Kenyans as they carry instruments to monitor chemicals within the atmosphere. Currently the rockets are at sea, this is however a waste as they rockets are expensive to maintain and are of no use as satellite is being built.
- 17) The land provided was per the agreement between the Italian Government and Kenyan Government.
- 18) The Permanent Secretary in the Ministry of defence discontinued his attendance after Dr. Kimani a material scientist joined the project, however he (Dr. Kimani) was not qualified to run the project as his area of specialization was not space science but material science.

19) The Space Science Policy's most important recommendation was that there be a creation of the Kenya Space Agency and also the creation of an Institute for space science whose main role will be to train more Kenyan scientist in the field.

20) The name San Marco was adopted by the Italians and they picked the name because they had initiated and heavily funded the Centre.

21) Initially there had been no corporate social responsibility within the Ngomeni area, but he pushed for the commencement of the Ngomeni development project that was to amount to Kenya Shillings 200 Million. He is however not sure if the project was ongoing and how the funds are being managed.

22) In 1994 he was a member of the National Space science agency which developed a document that was adopted by Cabinet. The document recommended that a Kenya Space Agency and a Space institute be established, this recommendations are yet to be implemented;

23) There was need to ensure that San Marco project was not under the Ministry of Defence. Due to the guarded nature of the Defence department other interested ministries and parties will be automatically locked out.

Min. No. 31/2012:

Farah Hussein's Response to the Joint  
Committee's Concerns.

Dr. Farah Hussein submitted the following to the Joint Committee; - that

- 1) The institution he heads is managed by 18 African Countries and its headquarters is situated in Kenya. Kenya is the founder member;
- 2) The institution is mandated with the task of mapping and remote sensing on behalf of its member states;
- 3) Their role was to provide advise to the Kenyan's government inter-ministerial committee that is in charge of the San Marco Space Centre;
- 4) According to him the role of San Marco is to: foster international co-operation in the use of merging technologies of space science; research (co-operation between Kenyan and Italian universities); remote sensing (which is crucial as it observes the earth and data produced could help enhance environment conservation, food security etc);

- 5) Components operating in the centre was that of launching satellites( but has been defunct since the 80s), and also the rôle of tracking of satellites to monitor if they have been place properly in their orbits;
- 6) According to his knowledge, Kenya had not made efforts to put a satellite into space, that could bring about development in the region both scientifically and economically;
- 7) Telemedicine is one of the areas that Kenya could exploit if they launched a satellite into space;
- 8) His organization has been beneficial to Kenya since it had initiated and facilitated various projects under different ministries, e.g. ;
  - Ministry of Forestry- Mapping forests
  - Ministry of Environment and Natural Resources- Mapping of key environmentally sensitive areas in Kenya like the Mara.
  - Ministry of Lands – Mapping of land in order to facilitate ease of survey and demarcations.
  - They also provided training for Kenyan professionals and civil servants who require new skills in mapping and geographical systems;
- 9) Kenya was very lucky to have a very important geostrategic resource. The location where the centre is situated lies on the equator and lies east next to Indian Ocean where satellites could be launched with ease and any miscalculation in the launching the location ensures the debris falls down in the seas. Therefore it was his view that the country should protect this resource and maximally use it to benefit Kenyans.

Min. No. 32/2012:

Joint Committee's Observation

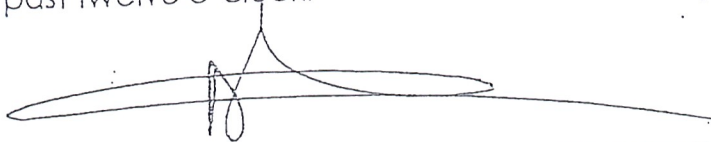
- i. The joint council of ministers between the two governments as per the San Marco agreement should be revived.
- ii. Kenya should be informed about all third parties using the centre.
- iii. A Kenya Space agency should be constituted to work at par with the Italian Space Agency which now controls the San Marco Centre. It is the best placed institution to run the San Marco Space Centre.
- iv. Kenya needs to review the agreement in order to accrue its rightful benefits for hosting the San Marco Centre.
- v. Supervision of the San Marco Centre should be removed from the Ministry of Defence in order to facilitate transparency and co-ordination in the field of space science.

- vi. Kenya should also allow the European Union Space Agency to set up base in Kenya and officials involved should formulate a proposal that will outline the terms that will be both beneficial to Kenya and E.U.
- vii. The government should be willing to put the option of shutting down the centre on the negotiation table. This is in order to pressure the Italians to incorporate the Kenyan demands in the new agreement governing the San Marco Space Applicant's Centre.
- viii. The San Marco Space Centre project should be moved to the Space Agency Centre in order for Kenya to be at par with the Italians (who have already done the same).

Min.No.33 /2012:


Adjournment

There being no other business, the Committee adjourned the sitting at twelve minutes past twelve o'clock.



SIGNED: .....

Hon. David Koech, MP- CO-CHAIRPERSON



SIGNED: .....

Hon. (Eng.) James Rege, MP- CO-CHAIRPERSON

DATE: 30<sup>th</sup> August, 2012 .....

MINUTES OF THE 7<sup>TH</sup> JOINT SITTING OF THE DEPARTMENTAL COMMITTEE ON EDUCATION, RESEARCH AND TECHNOLOGY & DEPARTMENTAL COMMITTEE ON ENERGY, COMMUNICATIONS AND INFORMATION HELD ON MONDAY, JULY 24<sup>TH</sup>, 2012 AT SAN MARCO SPACE APPLICATION CENTRE, MALINDI AT 10.00 A.M.

Present

- |   |                |
|---|----------------|
| 1. The Hon. (Eng.) James Rege, M.P.     | Co-Chairman    |
| 2. The Hon. John D. Pesa, M.P           | Ag-Co-Chairman |
| 3. The Hon. (Eng.) Nicolás Gumbo, M.P   |                |
| 4. The Hon. (Dr.) Wilbur Ottichilo, M.P |                |
| 5. The Hon. David Njuguna, M.P.         |                |
| 6. The Hon. Alfred Bwire Odhiambo, M.P. |                |
| 7. The Hon. Maina Kamau, M.P            |                |
| 8. The Hon. Shakilla Abdalla, M.P.      |                |

Absent With Apology

- |                                       |              |
|---------------------------------------|--------------|
| 1. The Hon. David Koech, M.P.         | -Co-Chairman |
| 2. The Hon. F. T. Nyammo, M. P.       |              |
| 3. The Hon. Emilio Kathuri, M.P       |              |
| 4. The Hon. (Prof) Phillip Kaloki, M. |              |
| 5. The Hon. Edwin O. Yinda, M.P       |              |
| 6. The Hon. Cyprian Omollo, M.P       |              |
| 7. The Hon. B. Muturi Mwangi, M.P.    |              |
| 8. The Hon. Ekwere Ethuro, M.P        |              |
| 9. The Hon. Peter Kiilu M.P           |              |
| 10. The Hon. Aden Duale, M.P          |              |
| 11. The Hon. Joshua Kutuny, M.P       |              |
| 12. The Hon. Gideon Mbuvi, M.P        |              |
| 13. The Hon. Mohammed Sirat, M.P      |              |
| 14. The Hon. Shakilla Abdalla, M.P.   |              |
| 15. The Hon. (Dr.) Joyce Laboso, M.P. |              |

In Attendance

- |                         |                                |
|-------------------------|--------------------------------|
| Dr. John Njoroge Kimani | -Ministry of State for Defence |
| Col. Joseph Mwai        | -Ministry of State for Defence |
| Ms. Janet M. Mugo       | -Ministry of State for Defence |
| Mr. Anthony Nyawade     | -Ministry of State for Defence |

Mr. Alberto La Bella  
Dr. Anthony M. Mwangudza  
Mr. Roberto Ibba  
Ms. Margaret W. Maimba

-Embassy of Italy  
-ASI-Italian Space Agency  
-ASI-Italian Space Agency  
-National Council for Science and  
Technology  
-Jomo Kenyatta University of Agriculture  
and Technology

Kenya National Assembly

Mr. Jacob Ngwele  
Mr. Derick Koli  
Ms. Veronica Kibati  
Ms. Lynette Otieno

- Clerk Assistant  
- Third Clerk Assistant  
- Research officer  
- Parliamentary Intern

Min.No. 34/2012:

Preliminaries

The Chairman called the meeting to order at ten o'clock and started with a word of prayer.

Thereafter, the Chairman welcomed the members present in the meeting and then requested everyone present to introduce themselves.

Min.No. 35/2012:

Briefing of the Committee in Regard to San Marco  
Application Centre

The joint committee had visited San Marco Application Centre in order to gather more detailed information on the operations of the facilities and also get to engage with the Italian and Kenyan personnel running the facility. The joint committee raised the following questions to the personnel in charge (which included Italians and Ministry of Defence officials):-

- i. Who negotiated the first agreement and the subsequent agreements?
- ii. What were the specific terms of the agreement in particular the management of the Centre, benefits and obligations of the two governments?
- iii. What was the current provision in the agreement on the employment of Kenyans in senior management positions at the centre?
- iv. What were the terms and the nature of the agreement the Centre was operating under?

- v. What were the qualifications of Dr. John Njoroge Kimani and Captain Andrew Otieno Nyawade? And also what their role was and whether they were coordinating the actual operations of the Centre?
- vi. How much revenue was being collected from the centre annually and how was the revenue shared between the Kenyan and Italian Government respectively?
- vii. Whether the Kenyan government had specifically made a request for funding as there was a proposal by the Italian government to increase funding from Ksh. 240 Million to Ksh. 500 Million, and how the funds would be utilized?
- viii. What benefits were the people of Malindi and Coast Province in general getting from the projects?
- ix. Whether any third party agreements existed and if so what were the proceeds to the Kenyan Government?
- x. Under which Ministry should the Space Centre be best placed?
- xi. What were the future plans and programmes of the San Marco Centre?
- xii. Where were the Kenyans who trained under the San Marco project gone to?
- xiii. Why Kenya after 50 years since the establishment of the Centre, was yet to establish a space institute?
- xiv. Why the space Centre was yet to be transferred back to Kenya?
- xv. How was the centre useful for the Kenyan Military?
- xvi. Whether any rockets had been launched from the Centre recently?
- xvii. Whether Kenyan Universities were receiving data from the Space Centre?

Min. 36 /2012: Meeting with Mr. IBBA - the Chief Italian Personnel

Mr. Ibba- the chief representative of the Italian personnel running the operations of the centre briefed the committees as follows:-

- i. The San Marco centre was established in 1964 and was managed by the University of Roma 'La Sapienza' until 2004 when management was transferred by the Italian Space Agency.
- ii. The 15 year inter governmental agreement signed in 1995 had been extended upto June 2013 awaiting conclusion of negotiations for its renewal.
- iii. The activities of the centre during the 50 year span range from rocket launches to satellite TT&C support and remote Sensing image acquisition. The purpose of the Remote Sensing Centre (RSC) was to acquire, preprocess, archive and distribute Earth Orbit satellite data.
- iv. San Marco was composed of two segments: the Land and sea Segment.
- v. The Sea Segment is dedicated to orbital and suborbital launches for scientific payloads and satellites from the off-shore platforms. There had been 27 launches that were 100% successful, out of which 9 were satellites. The last launch was in March 1988 -SCOUT SV 206 -San Marco D/L
- vi. The Land Segment supports launches and the other activities. On a 35,000 sq m area. There are four ground stations for satellite data acquisition; remote sensing centre; meeting and training centre and logistic facilities.
- vii. The management of the Centre is done through the operational support of industrial contractors, as in the modern space centers in the world. Vitrociset is the prime contractor, with the cooperation of Telespazio as subcontractor, for the maintenance and logistics management of the Base. While a group of companies provide space services, composed of Telespazio, Vitrociset, Rheinmetall Italy and Compagnia Generale Spazio, carries on the activities for the operations and maintenance of the TT&C Station (antenna and equipment).
- viii. The main activities of the San Marco space centre is rocket launching which is not currently being conducted but is under study, earth observation and research and training.
- ix. The satellite centres are in French Guyana and San Marco only receives and transmits data.
- x. San Marco is in communication with NASA. Their system of communication was changed to enable contact with other satellites. The station uses satellites over the Indian Ocean.

- xi. The Center established a link with Kenya Education Network in June 2012. The link is managed by Kenya Education Network that is stationed in Nairobi.
- xii. The Center does not use orbital slots which is a position given to any country to place geostationary spots. Instead the Centre uses frequencies and applies annually to Communications Commission of Kenya (CCK) for the frequency license.
- xiii. The study Center at San Marco receive data regularly that is to be used for research. However currently universities are not getting any data because of lack of knowledge of the availability of the data and also the Universities lack capacity to use the data.
- xiv. San Marco has the possibility for further development in the following areas: capacity building/technology transfer, telemedicine
- xv. Various local and regional institutions have shown interest to co-operate with the Centre's satellite receiving station in order to utilize and add value to the data available, these include;-
  - i. Department of Resource Survey and Remote Sensing (DRSRS);
  - ii. Department of Meteorology at the School of Physical sciences, University of Nairobi (UoN);
  - iii. Jomo Kenyatta University of Agriculture and Technology (JKUAT)
  - iv. Kenya Marine and Fisheries Research Institute (KMFRI).
  - v. IGAD Climate Prediction and Applications Centre (ICPAC);
  - vi. Intergovernmental Oceanographic Commission (IOC/UNESCO);
  - vii. Regional Centre for Mapping of Resources for Development (RCMRD).
- xvi. The San Marco Base is funded by the Italian Space Agency with some payments made directly to service providers and some paid to external contractors tasked to carry out specific work for the Base as detailed below:
  - i. I4SB Consortium (Telespazio, Vitrociset, CGS, RheinmetallItaly), for "BSC Station operation and Maintenance". The contract value is €3,000,000.00 per year, and includes Italian personnel. The contract started in January 2009 and will expire December 2012.
  - ii. Vitrociset/Telespazio Temporary Industrial Group, for the "BSC global service". The contract value is €6,700,000.00 per year (including €1,600,000.00 which is reimbursable), and includes

Kenyan and Italian personnel. The contract started in June 2011 and will expire May 2015.

- iii. Telespazio, for "ASI-Net –Operative communication". The contract provides the ASI operative communication, including BSC which requires approximately €600,000.00 per year. The contract started in April 2011 and will expire in September 2013.
- iv. ASI direct expenses, like GoKland rent, licences, utilities, ASI's Kenyan personnel, local service contracts, etc., was budgeted at €500,000.00 for the year 2011. Other expenses like ASI Italian personnel, travels, etc. are not included.

Total expenditure for BSC management and operation is around 11 M€/year. This will be the typical budget for the next years, and does not include new activities and investments. In the past years the budget grew from 7 M€/year to the current values. Around 40% of this amount is spent in Kenya.

xvii. The Space Centres service customers can be classified in three main domains:

- **National:** These are activities sponsored by the Government of Kenya and Italy and their respective authorities, space agencies and public institutions involved space activities. These services do not generate any income
- **Trilateral:** These are programs sponsored by a Party other than the Kenyan and Italian Government and their respective public authorities, space agencies and public institutions involved in space activities. These services up to now are provided on a cost reimbursement basis and do not generate profit.

The Income for the 2011 were: ESOC-€45,444.00 and ESA/CNES-€573,500.00

- **Third parties:** refers to programs and activities sponsored by a Party not included in the previous categories. These services generate an income. The income for the year 2011 was CLTC-€328,337.19

xviii. There are approximately 240 employees at the Center, that is twenty Italians, two hundred and twenty Kenyans out of whom two have University degrees and two military technicians from the Ministry of State for Defence (MoSD), and four Kenyans working in managerial positions at the Centre.

xix. In 2007 there was a proposal to the Kenya Government to recruit through the Federation of Kenya Employers (FKE). However they were unable to

recruit any Engineers and only recruited a nurse, accountant, electrician, secretaries and a storekeeper.

- xx. The salaries agreement and contracts are based on regional figures and position. There is a general reference for salaries and the Centre does not discriminate. However Italians working at the Centre may be paid more than other employees as they are hired as expatriates. Thus the need to pay more to cover for hardships.
- xxi. Only two of the six Kenyans awarded scholarships by the Italian Government and trained in space science are working at the Centre.
- xxii. The Italian and Kenyan Government had agreed on developments that would be funded under the San Marco agreement. These were focused on health, education and the social sector. It took ten years to start development projects. However the projects began in the 1980s after which the Cost Development Authority (CDA) was assigned full management of the funds for the development projects. The second phase of project funds which amounted to about 500 million Kenya shillings was to be released after the new agreement is signed.

Min. No. 37/2012: Responses from Senior Representatives of MoSD

Captain Andrew Otieno Nyawade and Col. Joseph Mwai representing the Ministry of State Defence at the centre responded to the joint committee's questions as follows:-

- i. There were three officers from the Ministry of State for Defence stationed at the Space centre.
- ii. They had not met Prof. Malo and were not privy to the reason why he was not currently involved in the activities of the Centre.
- iii. There had not been a coordinating agency on the Kenyan side to enable Kenya tap into the data generated from the San Marco Space Centre.
- iv. One of them, Captain Andrew Otieno Nyawade, had an undergraduate degree in Electrical Engineering and a Masters degree in satellite communications.
- v. There were no threats that made it necessary to require the Department of Defence to manage San Marco Space Centre as the data collected was for peaceful purposes.
- vi. The Department of Defence had an agreement with the Italian Military for data exchange. The data available from the Centre on mapping of the

whole country is important for security functions of the Department of Defence.

vii. The previous San Marco agreement did not allow the Department of Defence to use data available at the Centre for Defence functions.

Min. No. 38/2012:                      Submissions from Dr. John Kimani- MoSD

Dr. John Kimani informed the Committee that he has a PHD in physics from the University of Nairobi. He further appraised the Committee as follows:

- i. There were six countries in the world that had rocket launching bases with military functions. In all the six countries, space stations are manned by the Ministry of Defence, examples of such countries include; India, USA and France, thus the justification of the presence of Military presence at the San Marco Space Centre.
- ii. The agreement between the Military and the Italian Government require that the Military first receives satellite data and decide on how the components of data will be used by the civilians.
- iii. Twenty (20) rockets have been launched from the launching platforms. However the platforms were not in use, as the kind of rockets that were in use are no longer manufactured.
- iv. A Cabinet directive provides power to the Department of Defence to manage the station under the provisions for the establishment of a space agency.
- v. There was no launching of rockets at the moment and hence the low number of military personnel.
- vi. Efficient usage of satellites last for at least five to seven years.
- vii. Kenya government has established the national space secretariat which acts as the Kenya Space Agency.

MIN: 39/2012:                      Margaret W. Maimba for the National Council for Science and Technology (NCST)

She informed the Committee that:

- i. Initially space science was an issue of security however currently space surveillance is a civilian matter.
- ii. The Ministry of Higher Education science and Technology developed a policy on space science. Furthermore, there is a draft bill and the Ministry has held its first consultative forum and is scheduled to hold a second forum on the draft legislation to govern space science,

Min.No.40/2012:

Joint Committee's Observation

The Joint Committee made the following observations, that:-

- i. The reason the recruitment of Kenyan scientists was not successful was based on the non competitive, discriminatory salaries offered the San Marco Space Centre.
- ii. The Telemetry station was tracking three main satellites that is the AKELE, SWIFT, NUFTA. There were tracking receivers that received frequency and the station had data recorders and transmitters sending command to satellites.
- iii. There were five technical staff manning the telemetry and remote sensing stations. There were eleven Kenyan members of staff at the Telemetry station.
- iv. The information received from the remote sensing station involved earth observation and also the station received data on weather conditions.
- v. There was need for the joint parliamentary Committee to be more informed on the matter under inquiry and therefore it needed to be appraised with the following information and documents:-
  - The copies of all agreements that had been signed in relation to the Centre.
  - The copy of agreement extending the initial San Marco agreement up to June, 2013.
  - Documentation on annual revenue of the centre and revenue sharing agreement.
  - The list of all employees at the centre including their qualifications.
  - The salary schedule of all employees at the Centre and their pay roll.
  - The names of Kenyans employed in senior management positions at the centre.
  - The name of the Kenyans trained under the project since 1964.
  - Third party agreements entered into by the San Marco management.

Min.No. 41/2012:

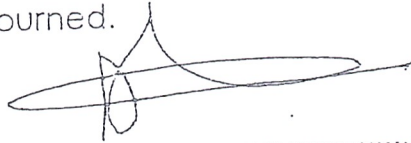
Any Other Business

1. The committee resolved to invite again the Ministry of Higher Education Science and Technology together with the Ministry for Defence to brief the Committee on the status of the San Marco Space Application Centre in Malindi and also respond to the issues that arose during the tour of the centre.

Min.No. 42/2012:

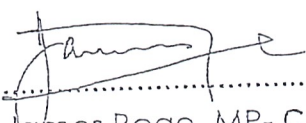
Adjournment

There being no other business, and the time being ten minutes past one o'clock the meeting adjourned.



SIGNED: .....

Hon. David Koech, MP- CO-CHAIRPERSON



SIGNED: .....

Hon. (Eng.) James Rege, MP- CO-CHAIRPERSON

DATE: <sup>th</sup> 20 August 2012 .....

MINUTES OF THE 8<sup>TH</sup> JOINT SITTING OF THE DEPARTMENTAL COMMITTEE ON EDUCATION, RESEARCH AND TECHNOLOGY & DEPARTMENTAL COMMITTEE ON ENERGY, COMMUNICATIONS AND INFORMATION HELD ON MONDAY, JULY 24<sup>TH</sup>, 2012 AT COAST DEVELOPMENT AUTHORITY, MALINDI AT 10.00 A.M.

Present

1. The Hon. (Eng.) James Rege, M.P. Co- Chairman
2. The Hon. John D. Pesa, M.P. Ag-Co- Chairman
3. The Hon. (Eng.) Nicolas Gumbo, M.P.
4. The Hon. (Dr.) Wilbur Ottichilo, M.P.
5. The Hon. David Njuguna, M.P.
6. The Hon. Alfred Bwire Odhiambo, M.P.
7. The Hon. Maina Kamau, M.P.
8. The Hon. Shakilla Abdalla, M.P.
9. The Hon. Emilio Kathuri, M.P.

Absent With Apology

1. The Hon. David Koech, M.P. -Co- Chairman
2. The Hon. F. T. Nyammo, M. P.
3. The Hon. Emilio Kathuri, M.P
4. The Hon. (Prof) Phillip Kaloki, M.
5. The Hon. Edwin O. Yinda, M.P
6. The Hon. Cyprian Omollo, M.P
7. The Hon. B. Muturi Mwangi, M.P.
8. The Hon. Ekwee Ethuro, M.P
9. The Hon. Peter Kiilu M.P
10. The Hon. Aden Duale, M.P
11. The Hon. Joshua Kutuny, M.P
12. The Hon. Gideon Mbuvi, M.P
13. The Hon. Mohammed Sirat, M.P
14. The Hon. (Dr.) Joyce Laboso, M.P.

In Attendance

Mr. Jacob Ngwele  
Mr. Derick Koli  
Ms. Veronica Kibati  
Ms. Lynette Otieno

Kenya National Assembly

- Clerk Assistant  
- Third Clerk Assistant  
- Research officer  
- Parliamentary Intern

## In Attendance

Dr. John Njoroge Kimani	-Ministry of State for Defence
Col. Joseph Mwai	-Ministry of State for Defence
Ms. Janet M. Mugo	-Ministry of State for Defence
Capt. Anthony Nyawade	-Ministry of State for Defence
Mr. Alberto La Bella	-Embassy of Italy
Dr. Anthony M. Mwangudza	-ASI-Italian Space Agency
Ms. Margaret W. Maimba	-NCST
Ms. Joyce Awino	Kenya Maritime Association
Ms. Nancy Kaugithu	Kenya Maritime Association
Ms. Wanjiku Manyatta	MORDA
Mr. D.N. Oyosi	MORDA
Kurera Zidi	Cost Development Authority
Mr. Josephine Rurelo	Cost Development Authority
Dr. Hunja Waitthaka	-JKUAT

## Min.No. 43/2012: Preliminaries

The Chairman called the meeting to order at ten o'clock and started with a word of prayer. Thereafter, the Chairman welcomed the members present in the meeting and the invited guests to introduce themselves.

## Min.No. 44/2012: Brief to the Committee by the Coast Development authority and the Kenya Maritime Association on the Status of the san Marco Space Application Centre

The Coast Development Authority had been invited by the Joint Committee to address the following key issue:

- i. What was the status of the developmental projects in Ngomoni area funded by the Italian government through the Space Applicant's Centre. The monetary allocation per project for all the developmental projects undertaken by CDA.
- ii. How CDA identified the projects and if they met the needs of the Community?
- iii. How many projects had been audited and who did the auditing? If there were aspects of co-funding or the funds used in the projects were strictly those from the Italian government?

- iv. Whether CDA had made proposals before commencing on the projects?
- v. How CDA decided on the upscaling projects and whether the Ngomeni community had been involved?
- vi. What projects had been initiated involving fishing?

The management of Coast Development Authority (CDA) informed the Committee that:

- i. Under the joint agreement between Kenya and the Italy government 240 million Kenya shillings was allocated for corporate social responsibility particularly in Malindi and Magarini district. The focus of the development projects were to be health, education, water, infrastructure and fishery.
- ii. In 2004 CDA was approached by the Ministry of National reconstruction to develop community development projects proposal for Ngomeni and Malindi later to be known as Malindi Integrated Social Health Development Programme (MISHDP) for funding consideration by the Italian Government.
- iii. The proposals were prepared with stakeholders participation and followed by a feasibility study done jointly by the Italian cooperation and CDA on the same. Launching of the Malindi Integrated Social Health Development Programme was the done on 19<sup>th</sup> March 2006 followed by the signing of the agreement between the Kenyan and Italian Government on 23<sup>rd</sup> January 2007.
- iv. A proposal for up scaling of the Malindi Integrated Social Health Development Programme had also been prepared by CDA and submitted for funding consideration whose approval was currently being-awaited. The total estimated cost for the upscale projects will be Kenya shillings 697, 095,657.
- v. The funds allocated in the MISHDP had been used to facilitate the following projects:
  - a. Construction of Maternity Wing at Marikabuni Dispensary.
  - b. Construction of Parking and Road Works at Malindi District Hospital.
  - c. Refurbishment of X-Ray Block at Malindi District Hospital.
  - d. Rehabilitation of Water system at Malindi District Hospital.
  - e. Upgrading of the power system at Malindi District Hospital.

- f. Construction of a new MCH/FP Block at Mambrui Dispensary.
  - g. Rehabilitation and Construction at Ngomeni Primary School.
  - h. Strengthening the capacities of Coast Development Authority (CDA) and the collaborating Ministry Departments.
  - i. Acquisition of Programme Vehicle.
  - j. Construction of Ngomeni Secondary School;
  - k. Construction of Ngomeni Health Center;
  - l. Construction of Ngomeni Cold Storage Facility for fish.
  - m. Construction of Ngomeni Sea Wall.
  - n. Construction of boreholes/ wells.
  - o. Improvement of Mjanaheri – Ngomeni road.
  - p. CDA Headquarters office renovation
  - q. Provision of fishing gear
  - r. Training of fishermen
  - s. Proposed re-roofing and repair and redecorating to 12 classrooms and administration block at Gede secondary school
  - t. Proposed construction of one block of 3 no. classrooms and 4 unit toilets block at Midodoni primary school and provision of a ferro cement tank
  - u. Proposed construction of 3 blocks of 3 no. classrooms (9 classrooms); 4 units toilet block and provision of a ferro cement tank at Bura primary school
  - v. Proposed construction of a dispensary block at Sosoni ( Outpatient, MCH service, treatment room, pharmacy, record room and covered waiting area)
  - w. Proposed construction of a maternity block at Baricho dispensary
  - ✦ Proposed construction of a maternity block at Dagamra dispensary
- vi. CDA had made the following achievement in the initiated developmental projects:

- a. Construction of five classrooms in Ngomeni Primary school; Rehabilitation of Ngomeni Primary School was 100% complete
- b. Rehabilitation of Ngomeni Health Center –which was 100% complete
- c. Construction of Ngomeni Secondary School – which was 100% complete. CDA had put up eight class rooms, an administration block for the headteacher and the teachers. The students had began using the classrooms and the first form IV candidates will sit the 2012 KCSE examinations;

- d. Implementation of the construction of the Ngomeni storage facility had been delayed due to land/site problems.
- e. Wells had been sunk, cleared and sealed in the surrounding Ngomeni area;
- f. The CDA head quarters offices had been renovated
- g. The Ngomeni sea wall had been constructed for defence and the project was 75% complete. Initially CDA had engaged the Ministry of Public Work but the price quoted by the Ministry was 200 million Kenya shillings which was expensive. CDA therefore came up with an alternative structure via one of its engineers, this cost the Authority 26.5 million Kenya Shillings.
- h. Malindi District Hospital Water System rehabilitation- which was 100% complete.
- i. Malindi District Hospital X-ray Block renovation and extension- which was 100% complete.
- j. Malindi District Hospital Parking and Road works – which was 100% complete.
- k. Malindi District Hospital power upgrading – which was 100% complete.
- l. Mambui Dispensary MCH/FP Block project- which was 100% complete.
- m. Marikebuni Dispensary Maternity Wing project – which was 100% complete.
- n. Gede secondary school project – which was 100% complete.
- o. Midodoni primary school project – which was 100% complete.
- p. Bura primary school project- which was 95% complete but ongoing.
- q. Sosoni Dispensary project- which was 90% complete but ongoing.
- r. Baricho Dispensary project was 95% complete but ongoing.
- s. Dagamra Dispensary project was 85% complete but ongoing.

- f. Procurement process has been initiated for the provision of Fishing Equipment.
- u. Training of Ngomeni BMU members 100% complete.
- vii. The projects were proposed by the community after which CDA came up with proposals that were to be considered and later given prerequisite approvals by the Italian Co-operation.
- viii. There was a cold storage project in the first phase of the developmental projects, however due to land issues and after consultation with the Italian co-operation the project was pushed to the upscale stage.
- ix. When CDA sank wells they also put towers to facilitate access to the water. Such wells and towers were built at the schools and hospitals which had water tanks amounting to 500,000 Kenya shillings.
- vii. The percentage indicated in reference to stage of completion of projects referred to progress in completion of physical structure and actual use of the facilities constructed.
- viii. PKF had done the auditing of the developmental projects.
- ix. CDA prepared proposals to the relevant Ministry, these included summaries of feedbacks from the community. There was a request for the up scaling loan.
- x. The challenge faced by CDA was that some of the contracted works did not move as planned as most of the projects are located further inland and accessibility during the rainy season was difficult hence delays in delivering building materials. In some instances the specified materials were not readily available in the market.

Min. No. 45/2012:                      Clarifications from the representative of the Italian Ambassador

The Committee sought clarifications on the following issues:-

- 1) Why the Authority and the Italian co-operation had not found it necessary to tarmack the 11.5 km road leading to the Space Centre?

- 2) Why the Italian government in the 600million shilling upscale project was giving a loan instead of a grant?
- 3) Whether impact assessment of the effects of the projects were considered before and after the commencement of the projects?
- 4) Why the Italians in the San Marco project are making money yet their Kenyan counterparts were not benefitting as much?
- 5) Whether CDA made proposals to the Italian Government requesting for a loan?
- 6) How often was the 240 million shilling given by the Italian government?

The Committee was appraised as follows:

- i. The Italian cooperation had given a positive assessment of the 1<sup>st</sup> phase of the developmental projects in Ngomeni area and in July an independent authority would audit the projects.
- ii. On the issue of the stalled fishing projects, the ambassador informed the committee that the money allocated to the cold storage facility had not been spent and the same amount would be used during the next phase of the developmental projects.
- iii. The 600 million shillings to be allocated in the upscale project to Kenya is one of the highest amount given by the Italian government.
- iv. Italy was giving a loan instead of a grant because the Italian laws did not allow for issuance of grants.
- v. The Italian Space agency operates as a parastatal and was not meant to make profits unless the Agency entered into third party agreements. Furthermore according to his knowledge San Marco was not making profits.
- vi. The Italian Government could not lawfully give a loan without the proper procedure being adhered to. Thus CDA had to make a proposal through the relevant Ministry.

Min. No.46/2012: Submission from the Kenya Maritime Authority

The Kenya Maritime Authority had been invited by the Joint Committee to address the following key issues:-

- 1) What is the role capacity the San Marco Space Applicant's Centre (the Centre) in the Maritime and satellite technology?
- 2) What benefits would Kenya derives or should have derived from the Centre?
- 3) What were their views on the need for the Centre?
- 4) What were their proposals on the contents of the new agreement between the government of Kenya and the Government of Italy over the Centre?

The Kenya Maritime Authority (KMA) informed the Committee that:

- i. Marine applications utilizing Remote sensing Data either acquired at San Marco, could help in research or commercial applications such as;
  - a. Maritime safety information, wave, wind and storm monitoring (both speed and direction) and thus reduce risk of maritime accidents like the recent Zanzibar tragedy.
  - b. Surface currents (both speed and direction).
  - c. Marine Surveillance interests: this has a security implication and to some extent may necessitate limited access to users.
  - d. Mapping coastal habitats (Mangroves, sea grass and coral reefs)
  - e. Mapping coastal areas (deltas and estuaries)
  - f. Shoreline changes resulting from coastal erosion.
  - g. Marine fisheries, chlorophyll, pigments, algal blooms etc.
  - h. Disaster management/ monitoring of oil and chemical spills in our Exclusive Economic Zone (EEZ) and Extended Continental Shelf (ECS).
  - i. Monitoring of turbidity during dredging works.
  - j. Monitoring of sea traffic.
  - k. Maritime security in our EEZ and ECS.

- i. Remote sensing image acquisition.
- ii. The benefits Kenya derive or should have derived from the centre include:
  - a. Training of Kenyans and knowledge transfer.
  - b. A national space policy should have been developed since the establishment of San Marco. However currently there is a draft Space Policy and Space Bill.
  - c. Kenya should be able to have unlimited opportunity to invite other players to the Centre and benefit from third party arrangements. Particularly as Kenya has a geographical advantage for equatorial launches of rockets and tracking.
- iii. The KMA proposed the following terms to be included in the new agreement between the Kenya and Italian Government over the Space Centre.
  - a. Technology transfer and greater access to data should be a key term in the new agreement.
  - b. Capacity building in satellite technologies, astrophysics, cosmology, and solar exploration should be included in the agreement.
  - c. Sharing of revenue gained from commercial services provided to users of the satellite station.
  - d. Use of satellite technology to address climate change, environmental risk factors, and security to be incorporated in the agreement.
  - e. Satellite based research should be a key feature in agreement.
  - f. Acquisition of oceanographic and atmospheric data also be incorporated in the project.
  - g. Sharing of responsibility and joint operation of the centre should be emphasized in the new agreement.
- iv. KMA recommended that the Department of Defence (DoD) should retain the leading role as the lead agency over the centre noting that satellite information by its nature was detailed and sensitive thus needed to be

safeguarded. Further the best institution in terms of security management was DoD. Similar practice had also been adopted in other countries such as US, Brazil, Argentina, Italy and India who all had their space centres anchored under the defence docket.

Min. No. 47/2012: Tour of the San Marco Development Projects

The committee resolved to visit the following developmental projects funded under the San Marco agreement: Malindi District Hospital; the Ngomeni sea wall; The New Ngomeni Health Center; Ngomeni Primary School; Ngomeni Secondary school. The committee on the tour of the projects observed the following:-

- i. The Italian government had funded the construction of the x-ray building amounting to million Kenya Shillings and donated x-ray equipment to the Malindi District hospital. The Italians had also funded cabro works amounting to 7 million Kenya shillings, water piping amounting to 2.9 million Kenyan Shillings, and extension of the electricity power line in the hospital.
- ii. The Committee observed that the workmanship on the construction of the xray building was poor and the roof of the building was leaking. Further based on the availability of building materials locally such as sand and the quality of the building construction and the cabro work. The Committee estimated that construction of the xray building was not more than 3 million Kenya shillings. Similarly the Cabro works could not have exceeded 7 million Kenya shillings.
- iii. The Committee requested for the Cost Development authority to provide the following documents after touring the Malindi district hospital: Receipt of payment to KPLC for extension of the power line; quotation by KPLC for the extension of the power line at the hospital; the quotation for the water pipes installed showing the length of piping used for the whole hospital; the drawings from the Ministry of Public works for the construction of the x-ray building.
- iv. The Committee while touring Ngomeni Primary school was informed that the expansion and rehabilitation of the School had cost 12 Kenya million shillings.

- v. Four new classrooms had been built and five classrooms rehabilitated, also the administration and toilet block had been constructed and further a well rehabilitated and a pump had been installed.
- vi. There was an extension of a tap outside Ngomeni Primary School to ease access to water by the community.
- vii. The building construction tender for the San Marco Space Centre did not give the community an opportunity to work and participate in them.
- viii. There was a dispensary built, however, it was unable to treat patients who were referred to Malindi District Hospital for treatment.
- ix. The Committee while on tour of Ngomeni Secondary school was informed that the project had cost 43 million Kenya Shillings.
- x. There were 158 students at the Secondary School out of which 50 were girls and 108 boys. The school had a class of 17 students who were to sit the KCSE exams at the end of the year.
- xi. The secondary school had only one teacher from the Teachers Service Commission (TSC) out of the 11 available teachers. However 3 had graduated from University and other had enrolled in universities. The teachers were paid Kenya shillings 15,000.
- xii. The parents were required to pay Kenyan shillings 15,600 per year as school fees.
- xiii. The Committee while on a tour of the New Ngomeni Health Centre was informed that the project had cost 35 million Kenyan shillings. The center was a level three hospital but had yet to be designated as such by the Ministry of Health.
- xiv. There were only two nurses and one clinical officer at the Health centre thus was operating under capacity.
- xv. The health centre received about 100 to 120 patients in a day, however the serious cases were referred to Malindi District Hospital.
- xvi. The Health centre lacked adequate access to medicine and while on the tour the committee discovered that the hospital did not even have panadol to give to patients.

xvii. The Health Centre used the ambulance from the San Marco Center however they had requested for an ambulance.

xviii. The Committee toured the Ngomeni sea wall and observed that although the project was said to cost 25 million Kenyan shillings, the physical structure did not reflect the amount quoted.

xix. Further the committee observed that the sea wall in some areas was not effective as the ocean water was still able to rise above it.

Min.No. 48/2012:


Adjournment

There being no other business and the time being three o'clock, the co-chairman Hon. (Eng) James Rege, M.P. adjourned the meeting. The date and venue for the next sitting was to be communicated by way of notice.

SIGNED: .....

  
Hon. David Koech, MP-CO-CHAIRPERSON

SIGNED: .....

  
Hon. (Eng.) James Rege, MP-CO-CHAIRPERSON

DATE: .....

30<sup>th</sup> August, 2012

MINUTES OF THE 9<sup>TH</sup> SITTING OF THE JOINT DEPARTMENTAL COMMITTEES ON  
EDUCATION, RESEARCH & TECHNOLOGY AND ENERGY, COMMUNICATIONS AND  
INFORMATION HELD ON THURSDAY, 9<sup>TH</sup> AUGUST, 2012 AT CONTINENTAL HOUSE, 5<sup>TH</sup>  
FLOOR, PARLIAMENT BUILDINGS AT 10:30AM.

Present

1. The Hon. David Koech, MP - Co-Chairperson
2. The Hon. (Eng.) James Rege, MP - Co-Chairperson
3. The Hon. Edwin O. Yinda, MP
4. The Hon. Shakila Abdalla, MP
5. The Hon. F.T. Nyammo, MP
6. The Hon. (Dr.) Wilbur Ottichilo, MP
7. The Hon. (Eng.) Nicolas Gumbo, MP
8. The Hon. Emilio Kathuri, MP
9. The Hon. B.C. Muturi Mwangi, MP
10. The Hon. David Njuguna, MP
11. The Hon. (Prof) Phillip Kaloki, M.P
12. The Hon. Ekwere Ethuro, M.P
13. The Hon. (Dr.) Joyce Laboso, MP

Absent with Apology

1. The Hon. Alfred B. Odhiambo, MP
2. The Hon. Muhamed Sirat, MP
3. The Hon. Maina Kamau, M.P
4. The Hon. Alfred B. Odhiambo, MP
5. The Hon. Aden Duale M.P
6. The Hon. Joshua Kutuny, M.P
7. The Hon. Adan Keynan M.P
8. The Hon. John Dache Pesa, MP
9. The Hon. Bare Aden Duale, MP

In Attendance

Jacob Ngwele  
Mr. Derick Epae Koli  
Veronicah Kibati  
Mr. Denis Mutua  
Ms. Lynnete Otieno

Kenya National Assembly

- Third Clerk Assistant  
- Third Clerk Assistant  
- Research Officer  
- Parliamentary Intern  
- Parliamentary Intern

### In Attendance

Hon. David Musila, M.P.  
Amb. Nancy Kirui  
Lt. Gen. SJ Mwatethe  
Col. V. N. Mwai  
Col. A. D. Nyawade  
Dr. John N. Kimani

- Asst. Minister, Ministry of State for Defence  
- P.S, Ministry of State for Defence  
- Vice Chairperson Department of Defence  
- O. P. S.  
- G.O. K. Representative to San Marco Project.  
- Lead Kenyan Scientist at San Marco.

### Min. No. 49/2012:

#### Preliminary

The Chairperson Hon. James Rege, M.P. called the meeting to order at 10:50 am.

### Min. No. 50/2012:

#### Adoption of the Agenda

1. Meeting with the Minister of State for Defence: The Matter of the San Marco Space Application Centre and the signing of the Agreement between the Government of Kenya and the Italian Government.
2. Any Other Business
3. Date of the Next Sitting
4. Adjournment

### Min. No. 51/2012:

#### Joint Committee's Concerns

The signing and ratification of the Agreement and the five Protocols on the San Marco Project between the Government of Kenya and the Government of Italy was discussed.

The Joint Committee raised the following concerns with the Asst. Minister of State for Defence and sought to understand the following:-

- i) Why there was a hurry to sign the new agreement with the Italians the Joint Committee had notified the Ministry not to sign the agreement until such a time when the investigations were complete and the report tabled?. (Letter dated 19<sup>th</sup> June, 2012, that the agreement should not be signed).
- ii) Why the Minister was in a hurry to finalize with the new agreement, yet there was more time considering the current 1995 agreement had been extended to June, 2013?. The Committee heard that the agreement was still in a draft form and had not been signed.

- ii) What the Minister meant in his letter which stated in part "...the delay of the signing of the letter was causing delays and stalling government business. The Minister was required to state which government business had stalled. The Joint Committee heard that the government business that has stalled due to the delay in signing the agreement was mainly the payment of rents by the Italian government.
- iii) Where the pressure to sign the Agreement was coming from, (whether it was from the Kenyan side or the Italian side). The Committee was informed that the Ministry had signed an extension of one year on the Agreement to avoid creating vacuum and exercise broad consultations with stakeholders.
- iv) If the Minister could go on record and assure the Joint Committee that the signing of the agreement will be postponed until the report is approved by the House. The Minister assured the Committee that the signing of the Agreement was to be postponed until when the Joint Committee finalize and table its report. He assured the Committee that the final draft agreement will include the input and the recommendations of the Joint Committee.
- v) Why government institutions including the Ministry of State for Defence, metrological department, and Ministry of higher learning, Research and Technology had failed to fully utilize the facility. The Minister however assured the Joint Committee that government agencies dealing with San Marco would be given clear roles in the new agreement.
- ii) Could the minister submit a copy of the recent agreement and detailed copy of the five protocols for the Joint Committee's perusal before it ratifies it?
- iii) Why did the negotiation team accept the 50% fee paid by third parties using the facility while in the old agreement it had stipulated 70% payment?
- iv)
- v) Which law authorized the Defence Ministry to take over the supervision of the San Marco Project from the Ministry of Higher Education, Research and Technology?
- vii) Why can the ministry assume a supporting role in the affairs of San Marco and let the Ministry of Higher Education, Research and Technology take charge of the San Marco Project?

- vii) Does the ministry have the requisite capacity to co-run the centre with the Italians?
- vii. What is the Minister doing to ensure the terms and conditions/remuneration of the Kenyan staff working at San Marco are improved?
- viii. Is it possible to seek support from international bodies like NASA who could help Kenya come up with a solid agreement that will safeguard the country's interests and also ensure in the future the country gets to own and control the facility?
- ix. The Committee sought to understand why the Italian Government was offering Kenya a soft loan of over ksh. 600 million instead of a grant and was informed that the soft loans are not bad for the country since they could be cancelled in the future; the loans are neither vigorous nor conditional like other bilateral loans offered to Kenya.

The Ministry of State for Defence argued that the San Marco Project should remain under its docket, because launching of rockets and the facility in general touches on national security and in many countries the world over - with the same facilities- the facilities are run by the armed forces.

The Committee was informed that the San Marco Project can be used for both peaceful purposes and defence purposes. The Committee was informed that the Cabinet had made a wise decision in transferring the facility to the Ministry of State for Defence and required no legal provision as it is its prerogative to assign and transfer functions to Ministries and State Organs.

The Committee expressed concern that the Office of the Prime Minister had written to direct the Ministry to speed up on the signing of an international agreement and sought to understand the interest the Office holds in the matter. The Minister informed the Committee that the Office of the Prime Minister had communicated to the Ministry requesting that the agreement be signed by 28<sup>th</sup> August, 2012. This however was not a directive but rather a concern from the OPM whose mandate is to co-ordinate the activities of government.

The Committee raised issues with the third party agreements. The Minister in response admitted that there was no clear system of monitoring and collecting the 70% fee provided for under the clause on the third party agreement. The provisions of the agreement require that 70% be paid to the government of

Kenya. The Committee heard that the fee had not been collected since the agreement was signed. The Italians also have only started paying the rents are still in arrears.

Minister assured the Joint Committee that in the new agreement to be signed has included the factor of joint management and administration of the San Marco facility between the Italians and Kenyans is considered.

In regards to employment of Kenyan staff at the centre, the Minister informed the Joint Committee that the Kenyan employees are paid well above the existing market rates. However, their terms of employment need improvement. He nevertheless promised to ensure that the new agreement captures this anomaly and the Italians will be forced to follow the labour laws of Kenya if they are to do business in the country.

Min. No. 52/2012:

Joint Committee's Observations

- i) The new agreement should be carefully analyzed and should ensure Kenya has room to maneuver in case in the future it wants to exit from the agreement and set up and run its own space centre. Signing the agreement without a clear exit strategy will stifle Kenya's future space ambitions.
- ii) The San Marco facility is more beneficial to Kenya if it is mainly used for civilian purposes and not military purposes. This because civilian use allows for the development of remote sensing; improved meteorology analysis; enhanced communication; telemedicine; and increase in other useful scientific data acquisition.
- iii) The new agreement should contain clauses that will allow Kenya to take over and independently run the facility in the future.
- iv) The joint committee was impressed with the development projects started in Ngomeni (a very marginalized area in Kenya) but it would have also wished that the revenue accrued from the centre be shared more equitably between the Italians and Kenyans.
- v) The placement of the facility under the ministry of Defence was obstructing peaceful research by Kenyan scientist as it restricted accessibility. Even the mere presence of the military personnel at the facility was acting as a deterrent to civilian use of the facility.

- vi) The data collected by the centre is exclusively sent to third parties and Kenya as the host country receives no data.
- vii) The amount of data being collected from third party entities was colossal and Kenya was bound to lose both financially and technologically if they continued to allow the Italians to dominate in the administration of the facility.
- viii) The minister should send to the joint the committee the letter from the OPM that presumably had instructed the ministry to expedite the signing of the San Agreement.
- ix) The Committee noted the Minister's request to allow the Defence Ministry to continue supervising the management of San Marco to allow for continuity as it will ensure coordination with other involved government agencies.

Min. No.53/2012:

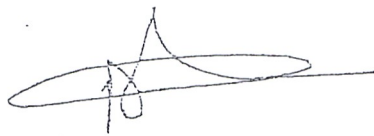
Any Other business

- i) The minister also needed to send a letter to clerk of the National Assembly outlining that they had withdrawn from their former position (contained in the letter that their Minister had sent to the clerk of the National Assembly on 25<sup>th</sup> June, 2012) that the delay in signing was causing delay in the carrying out of government business, and clearly state that they are willing to wait for the committee to finalize and table its report on the floor of the house.
- ii) The minister also needed to write to the Prime Minister Office (as it was the government's coordinating office) and inform them that the joint committee needed more time to scrutinize the new agreement.

Min. No. 54/2012:

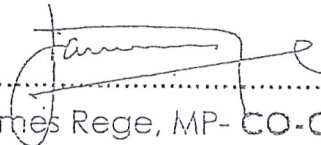
Adjournment

There being no other business and the time being ten minutes past twelve o'clock, the co-chairman Hon. (Eng.) James Rege, M.P. adjourned the sitting. The date and venue of the next sitting was to be communicated by way of notice.



SIGNED: .....

Hon. David Koech, MP- CO-CHAIRPERSON



SIGNED: .....

Hon. (Eng.) James Rege, MP- CO-CHAIRPERSON

DATE: 30<sup>th</sup>, August, 2012 .....

1. Considering that Malindi is a geostrategic location for rocket launching and satellite tracking, the Government should enhance its oversight role in ensuring that the San Marco Space Application Centre maximizes its presence in Kenya in the enhancement of the Government's development agenda in education, research, communication and information. The Kenyan Government should be involved both at the technical and managerial levels to ensure sufficient supervision of operations and management and maximum utilization of benefits at the Space centre.
2. Considering Article II of the 1995 agreement states that the Government of Italy shall remit to Kenya 70% of fees earned from third parties, the Government should move with speed to establish all third party agreements currently in existence at San Marco and how much money Kenya is expected to have earned from these agreements in order to ensure that no revenue is lost.
3. The new San Marco agreement under review and all future agreements should be approved by Parliament in line with the Constitution 2010. The new agreement should correct the anomalies existing in the previous agreements and ensure it includes among others:-
  - i) Joint management of the facility;
  - ii) A clear framework for third party agreements and signing of third party agreements in the presence of the Kenyan Government;
  - iii) Provision for employment of Kenyans in senior managerial positions;
  - iv) Enhanced capacity building of Kenyans in space science technology;
  - v) Sharing of revenue gained from commercial services provided to users of the centre;
  - vi) Technology transfer and increased access to data collected;
  - vii) Use of satellite technology to address climate change, environmental risk factors and security; satellite based research; and
  - viii) A clear exit strategy in the likelihood that Kenya would like to manage the San Marco Space Application centre independently.
4. A proper framework on third party usage of the station should be formulated so that the Kenyan Government will be aware of the third party users of the station and how much money is earned from these third party agreements. Further, the Kenyan Government should ensure that it is present at the signing of all third party agreements.
5. Article V of the draft agreement between the Government of Kenya and the Italian Government should be amended to specify that the Kenyan members of the Joint Steering Committee established therein shall represent Kenya on an

interim basis pending the establishment of the Kenya Space Agency which shall take over implementation of the agreement.

6. Considering the importance of San Marco Space Application Centre to space science technology in the country and its establishment for peaceful uses, the National Council for Science and Technology under the Ministry of Higher Education, Science and Technology should take a lead role in the management and coordination of its activities. Other Government Ministries including the Ministry of Defence should play a supportive role in the management of San Marco activities.
7. The Ministry of Higher Education, Science and Technology should fast track the finalization of the National Space Science Policy and enactment of the National Space Science Bill which will establish the Kenya Space Agency and will be responsible for the coordination of space science activities in the country. The Kenya Space Agency which is established under the policy should be an autonomous agency and should be free to enter into bilateral/multilateral agreements with other Space Agencies World-Wide.
8. The Kenyan government should take a keen interest in the data/information gathered at the centre and ensure that this data/information can be accessed by its agencies, Universities and other institutions for use in research, education, disaster management, land use/land cover mapping, meteorology and maritime surveillance among others.
9. Bridging of the skills gap especially in the managerial, technical, legal and other related skills necessary for running the facility should be addressed immediately. Initial training of Kenyan staff in the above mentioned areas should be fast tracked to ensure Kenyan staff are available to take up senior positions at the centre. In this regard, the Kenyan Universities should develop programs for space science to enhance training of Kenyans in this field.
10. The funds contributed by the Italian Government for the development projects should be properly managed and the projects should be effectively implemented to ensure that the community benefits. In this regard, a coordinating committee that includes the community and other key stakeholders should be constituted to ensure that all key stakeholders are fully involved in the identification, implementation and monitoring of the development projects.

MINUTES OF THE 10<sup>TH</sup> SITTING OF THE JOINT DEPARTMENTAL COMMITTEES ON EDUCATION, RESEARCH AND TECHNOLOGY AND ENERGY, COMMUNICATIONS AND INFORMATION HELD ON THURSDAY, 30<sup>TH</sup> AUGUST, 2012 AT THE SMALL DINING ROOM, MAIN PARLIAMENT BUILDING AT 10:30 AM.

Present

1. The Hon. David Koech, MP - Co-Chairperson
2. The Hon. (Eng.) Rege, MP - Co-Chairperson
3. The Hon. Maina Kamau - Vice Chairperson
4. The Hon. Shakila Abdalla, MP
5. The Hon. Alfred B. Odhiambo, MP
6. The Hon. (Dr.) Wilbur Ottichilo, MP
7. The Hon. Edwin O. Yinda, MP
8. The Hon. Muhamed Sirat, MP
9. The Hon. Aden Duale M.P
10. The Hon. John Dache Pesa, MP

Absent With Apology

1. The Hon. F.T. Nyammo, MP - Vice Chairperson
2. The Hon. (Eng.) Nicolas Gumbo, MP
3. The Hon. Emilio Kathuri, MP
4. The Hon. B.C. Muturi Mwangi, MP
5. The Hon. (Dr.) Joyce Laboso, MP
6. The Hon. Ekwee Ethuro, M.P
7. The Hon. Joshua Kutuny, M.P
8. The Hon. (Prof) Phillip Kaloki, M.P
9. The Hon. Adan Keynan M.P
10. The Hon. David Njuguna, MP

In Attendance:

Ms. Emmy Chepkwony  
Ms. Veronica Kibati  
Mr. Denis Mutua  
Ms. Lynette Otieno

Kenya National Assembly

- Clerk Assistant  
- Research Assistant  
- Parliamentary Intern  
- Parliamentary Intern

Min. No.55/2012:

The proceedings commenced with a word of prayer at 10.48am.

Min. No.56:2012:

Preliminaries

Adoption of the Agenda

The Committee adopted the Agenda as follows:

1. Adoption of the Agenda
2. Confirmation of the minutes of the previous sittings
3. Deliberation and Adoption of the Committee Report
4. Any Other Business
5. Date of the Next Sitting

Min. No.57/2012:                      Confirmation of the Minutes of the Previous Sittings

Minutes of the following sittings were read and confirmed as the true record of the sittings proceedings and signed by the Co- chairpersons

- i. Minutes of the 1<sup>st</sup> sitting of the joint Committee were proposed by Hon. Maina Kamau, M.P and Seconded by Hon. Aden Duale, M.P.
- ii. Minutes of the 2<sup>nd</sup> sitting of the joint Committee were proposed by Hon. Shakila Abdalla, M.P. and Seconded by Hon. Mùhamed Sirat, M.P.
- iii. Minutes of the 3<sup>rd</sup> sitting of the joint Committee were proposed by Hon. (Dr.) Wilbur Otichilo, M.P and Seconded by Hon. David Koech, M.P.( Hon. Edwin Yinda, M.P acted as a temporary for the purposes of confirmation of the minutes of the 3<sup>rd</sup> sitting).
- iv. Minutes of the 4<sup>th</sup> sitting of the joint Committee were proposed by Hon. Muhamed Sirat, M.P and Seconded by Hon. (Dr.) Wilbur Otichilo, M.P.
- v. Minutes of the 5<sup>th</sup> sitting of the joint Committee were proposed by Hon. F.T Nyammo, M.P and Seconded by Hon. (Dr.) Wilbur Ottichilo, M.P.
- vi. Minutes of the 6<sup>th</sup> sitting of the joint Committee were proposed by Hon. Edwin Yinda, M.P and Seconded by Hon. Alfred Bwire Odhiambo, M.P.
- vii. Minutes of the 7<sup>th</sup> sitting of the joint Committee were proposed by Hon. Alfred Bwire Odhiambo, M.P and Seconded by Hon. (Dr.) Wilbur Otichilo, M.P.
- viii. Minutes of the 8<sup>th</sup> sitting of the joint Committee were proposed by Hon. Edwin Yinda, M.P and Seconded by Hon. Aden Duale, M.P.
- ix. Minutes of the 9<sup>th</sup> sitting of the joint Committee were proposed by Hon. Edwin Yinda, M.P and Seconded by Hon. Emillio Kathuri, M.P.
- x. Minutes of the 10<sup>th</sup> sitting of the joint Committee were proposed by Hon. Maina Kamau, M.P and Seconded by Hon. Aden Duale, M.P.

Min No.58/2012:                      Deliberation and adoption of the Draft report

The joint Committee deliberated on and adopted its report with the following recommendations:

11. The Government should ensure that qualified Kenyans are competitively recruited in senior managerial positions at the Space Centre and offered competitive remuneration and requisite benefits. The management of the centre should ensure that they adhere to the Kenyan labour laws with regard to employee matters.

12. The Government should strive to renegotiate with the Italian Government to convert the soft loans offered for development projects and the establishment of a space science programme at the Jomo Kenyatta University of Agriculture and Technology, into grants. The Committee recommends that in future, the Government should not take up loans for development projects but should ensure that they are funded through grants as part of Corporate Social Responsibility.

Min. No. 59/2012:

Any Other Business

The Committee resolved that its observations and recommendations be part the report.

Min. No. 60/2012:

Adjournment

There being no other business and the time being thirty minutes past 1.00 O'clock, the meeting adjourned.

SIGNED: .....

Hon. David Koech, MP- CO-CHAIRPERSON

SIGNED: .....

Hon. (Eng.) James Rege, MP- CO-CHAIRPERSON

DATE: .....

30<sup>th</sup> August, 2012

30 back 2 bar

On security officers, I think this House will have to discuss with a view to increasing their number in this country. Financial and other forms of resources need to be provided so as to ensure that these officers do their work effectively.

Thank you.

Hon. Speaker: I can imagine that those can be useful suggestions, but I think they would be best addressed to the Committee, through a report that they can table to the House, before they are explored. Yes, Chair of the Committee.

Hon. Abongotum: Hon. Speaker, Sir, I have confirmed that the issue of recruitment of new police officers may be done immediately the current group graduates.

On the issue of housing, I want to confirm that the officers are also being given house allowance, and where houses are not available, they can rent.

Otherwise, thank you.

Hon. Speaker: Next Order. I know there are some hon. Members who may want to seek Statements. A number of you will not be lucky to do so today because of some pending business which has received a lot of requests from very many of you. We also have the Finance Bill to discuss and you must conclude the debate in Second Reading today, so that you can go to that other business. Most of you will bear with me that you may seek those Statements tomorrow morning. I know hon. Wandayi and hon. Bowen. The only person who is lucky is hon. Ottichilo. Please bear with me. There is a lot of pressure because the other business is also very urgent. I do not want to say what it is because the rules do not allow me, until I have moved it. But I have received several requests from many of you. I am sure, once it is said; you will understand why we are doing that. We are pressured for time. Hon. Wandayi, do not open your eyes any bigger. I know I approved your Statement, but do not worry tomorrow is not too far away. It is the same with hon. Bowen.

Hon. Ottichilo, the Floor is yours.

## REQUESTS FOR STATEMENTS

### STATUS OF SAN MARCO SPACE APPLICATION CENTRE

Hon. (Dr.) Ottichilo: Thank you, hon. Speaker, Sir. Pursuant to Standing Order No. 44 (2) (c), I wish to seek a Statement from the Chairperson of the Committee on Education, Research and Technology and the Chairperson of the Committee on Administration and National Security regarding the San Marco Space Application Centre in Malindi.

In their Statement the Chairpersons should inquire and report on the following:-

- (1) the current status of the centre in terms of its operations, management and legal framework;
- (2) the scientific and economic potential of the centre and how the Government of Kenya has benefited from its inception in 1964 in terms of data acquisition, staff development and direct financial benefits;

(3) the number of technical and support staff of Kenyan nationality employed at the centre and the terms and conditions of their service. A clear comparison of their terms and conditions of service with those of Italian nationals who are employed at the centre;

(4) the reasons why the Government of Italy has not honoured some of the articles of 1995 agreement between the Government of Kenya and the Government of Italy. Furthermore, why the Government has not taken any action on the same; and,

(5) given that the activities of San Marco Space Application Centre are mainly scientific in nature and focus on space research, remote sensing, launching and monitoring of resources and telecommunication satellites, why are the centre's activities coordinated by the Ministry of Defence and not the Ministry of Education, Science and Technology?

(6) When will the Government of Kenyan undertake the following:-

(i) take full control and management of San Marco Space Application Centre;

(ii) finalize bilateral agreement with the Government of Italy and have it approved by Parliament, in line with the Constitution; and,

(iii) establish its own national space agency by Presidential Order or legislation to coordinate space science research and application activities in the country, including the launching of its own earth resources satellite.

Lastly, could the Committee consider reviewing the Parliamentary Report on the same which was tabled in the Tenth Parliament?

**Hon. Speaker:** Your request for Statement is to two departmental Committees. One is the Committee on Administration and National Security and the other one is Education, Research and Technology. It is to two departmental Committees.

**Hon. (Dr.) Ottichilo:** Yes.

**Hon. Speaker:** That will require a joint sitting of the two Committees. Hon. S.W. Chege, can you make a response as to when you think you can respond? You just walked in when hon. Ottichilo was reading. The Chair of the Committee on Administration and National Security is here. This is a matter that requires quite some time. I also want to encourage Committees to know that you are at liberty to form sub-committees of your Committees, so that you do not have to transport 29 of yourselves to go and see whether animals were slaughtered or such like activities. Even if you send five Members of your Committee, they will be reporting to the main Committee, and therefore, the issue of quorum of nine Members, which I have been told is what is worrying some of the Chairs, will not be there. There will be no issue of quorum. If you decide that you want to send a sub-committee of five or seven Members of your Committee, you should be free to do so, so that that sub-committee will bring its report to you as the main Committee. That way, several of you will be actively engaged in many issues most of which are being raised through requests for Statement. It is an easier way.

Let me hear from hon. Kamama, when you think you can have a joint sitting with the Committee on Education, Research and Technology.

**Hon. Abongotum:** Hon. Speaker, Sir, this is a fairly complex assignment. In the Tenth Parliament, I was an Assistant Minister in the Ministry of Education, Science and Technology and I remember coming across this issue. As you know, hon. Ottichilo is an expert in space science and remote sensing. So, we really need close to two weeks for us to meet and then we liaise with the people in Malindi. We want to be given something

like a month, so that we can convene with our counterpart and prosecute this matter. So, we need one month.

**Hon. Speaker:** I note that in the request hon. Ottichilo mentioned that, that particular facility is under the docket of Defence. I suspect that, that is why hon. Nkaissery is getting agitated when you mention "defence". Perhaps, hon. Nkaissery, you can give us the sense of your excitement.

**Hon. (Maj-Gen.) Nkaissery:** Thank you, hon. Speaker, Sir. I think the request should be directed to the Committee on Defence and Foreign Relations because this is a defence issue with science and technology. I remember that during the last Parliament, I responded to this request. So, the Member should take the report to the two committees and if there are areas that we need the Government to look into, then we can look into that. Otherwise, I had satisfactorily dealt with this matter in the last Parliament.

**Hon. A.B. Duale:** Hon. Speaker, Sir, I had the benefit of serving in the Committees that investigated this matter in the last Parliament. I do not think we should involve the Committee on Defence and Foreign Relations because the key stakeholders that we are investigating, and I am sure hon. Ottichilo will agree with me, is the Department of Defence. So, the right Committees are Education, Research and Technology, Administration and National Security and moreso, the Committee on Energy, Communication and Information because there is an aspect of communication.

The people who signed the contract on behalf of the Kenyan people, whom these Committees must investigate, are the Ministry of Defence. I will be very happy if the Committee on Defence and Foreign Relations deals more with the current issues and leaves the satellite station because I went to Malindi and in my opinion, it has more than meets the eye. It is not just a mere scientific station, but an intelligent centre for some powers using our own space and land. We should leave this to the Committees that you have already mentioned.

**Hon. Speaker:** What is the position of the report that was presented in the last Parliament? Was it ever adopted? Maybe, hon. Ottichilo, you could throw some light.

**Hon. (Dr.) Ottichilo:** Hon. Speaker, Sir, indeed, there was an investigation on this matter in the Tenth Parliament. The report was tabled in this House, but it was not adopted.

**Hon. Ng'ongo:** On a point of order, hon. Speaker, Sir. My point of order is with regard to what the Leader of the Majority Party has just said. If there is someone to be investigated, it is the Ministry of Defence and not the Committee. I do not understand why hon. Duale feels that the Committee on Defence and Foreign Relations cannot investigate this matter. This House is not investigated. As hon. Nkaissery puts it, the relevant Committee should be the Committee on Defence. It must be part of it. The Deputy Leader of the Minority Party is back.

**Hon. Speaker:** There is no reason to be excited. The point you are making, hon. Mbadi is relevant, but is it possible that we can get that report first and then perhaps, the Committee on Education, Research and Technology, sitting together with hon. Ottichilo and perhaps the Committee on Defence and Foreign Relations, can look at it. I can see that hon. Duale is introducing the Committee on Energy, Communication and Information. It looks like it may be very complicated. We cannot have three, four or five

Committees sitting about the same thing. It might as well be that we introduce that report, if it was exhaustive. Hon. Musyimi, are you also in that Committee?

Hon. Musyimi: Hon. Speaker, Sir, I wish I was, but I am not. I recall the issue of the Artur Brothers Report that was tabled in the Ninth Parliament, but not debated. It was subsequently debated in the Tenth Parliament. I am just wondering whether we do not have a precedent there. If the report was tabled in the Tenth Parliament, why can it not be debated in the Eleventh Parliament?

Hon. Speaker: Exactly, that is the point I am making. It cannot find its feet like the Members who are walking here, it must have a mechanism by which it finds itself on the Floor of the House. Which Committee was investigating it in the last Parliament? Was it, again, a joint Committee? Yes, hon. (Dr.) Ottichilo.

Hon. (Dr.) Ottichilo: Thank you, hon. Speaker, Sir. It was a joint Committee on Education, Science and Technology, and Energy and Telecommunication.

Hon. Speaker: If that is how it went, how then did you decide that you now needed a Statement from the Departmental Committee on Administration and National Security? Or, you just wanted to involve many Committees?

Hon. (Dr.) Ottichilo: Hon. Speaker, Sir, it is because the centre has a lot of implications on security issues. That is why the agreement has been signed by the Department of Defence. Currently, it is the Department of Defence that is responsible. But because this Department does not have the know-how on the science that is undertaken there, they only do administration roles and oversee the facility. That is why the station has no value to the people of Kenya, but the Italians are really making a lot of money from that centre.

Hon. (Ms.) S.W. Chege: Thank you, hon. Speaker, Sir. I request hon. (Dr.) Ottichilo, who is also a Member of our Committee to bring the matter to the Committee so that some of us who were not in the previous Parliament can look at it so that we can have a way forward on how to deal with the issue. This is a departmental issue that we need to discuss at the Committee level.

Thank you, hon. Speaker, Sir.

Hon. Speaker: I think I will advise hon. (Ms.) S.W. Chege to be given a copy of the Communication that I gave about the card. This is because I can see the name appearing as Susan Kipketer Chebet. That speaks volumes.

*(Laughter)*

Hon. (Ms.) Abdalla: Thank you, hon. Speaker, Sir. I was just talking about the Questioner's report. I thought that I should raise it here. I have tabled two reports in this House and I do not know what period of time they will take to be debated. I am just concerned that they can become like the reports of the Tenth Parliament requiring debate in the Eleventh Parliament.

Hon. Speaker: The Clerk's Department should prioritize Committee reports. These Reports must be given priority because they are very important.

Let me direct as follows: The Departmental Committee on Education, Research and Technology, the Departmental Committee on Administration and National Security

and the Departmental Committee on Energy, Communication and Information Chairs meet with hon. (Dr.) Ottichilo to come up with the way forward on the matter.

First of all, on that Report that was tabled in the last Parliament and any other matter especially the one that hon. Ottichilo has raised in the current request, the three Chairs should meet. I think it is import that hon. Gumbo's Departmental Committee is involved.

Hon. (Eng.) Gumbo: Most obliged, hon. Speaker, Sir.

Hon. Speaker: Very well. Hon. Ottichilo, let us have your second request because we are running out of time.

#### BAN ON GMOS IN THE COUNTRY

Hon. (Dr.) Ottichilo: Thank you, hon. Speaker, Sir. Pursuant to Standing Order No.44(2)(C), I wish to seek a Statement from the Chairperson of the Departmental Committee on Agriculture, Livestock and Cooperatives regarding the ban on the use of Genetically Modified Organisms (GMOs) in the country.

In his Statement, the Chairperson should inquire and report on the following:-

First, the scientific data and information that informed the ban and whether the National Biosafety Authority and other relevant agencies were consulted prior to the ban pronouncement by the Government earlier this year.

Secondly, the impact of the ban on the activities of the National Biosafety Authority, GMOs research activities and businesses in GMO products in the county.

Thirdly, the findings of the Committee constituted by the Government to investigate and report on the alleged dangers of the GMOs products; when the report will be made public including the Government policy on GMOs with regard to the report.

Finally, the specific policies---

*(Loud consultations)*

Hon. Speaker: Hon. Members, consult in low tones. I want to encourage hon. Angwenyi to take a seat instead of standing on the gangways and shaking the hands of everybody.

Yes, hon. (Dr.) Ottichilo.

Hon.(Dr.) Ottichilo: Hon. Speaker, Sir, lastly, I would like to know the specific policies and programmes that the country has put in place to promote agricultural biotechnology in its food production and environmental conservation systems given that the adoption of biotechnology is necessary for global and national food security, medication and adaptation to climate change.

Hon. Speaker: Who is the Chairperson of the Departmental Committee on Agriculture, Livestock and Cooperatives? Do they have a Vice-Chair? It must be a very interesting Committee where the Vice-Chair and Chair do not attend the plenary of the House.

Yes, hon. Washiali.

Hon. Washiali: Thank you, hon. Speaker, Sir. We have a new Chairman. Unfortunately, he has gone to meet the Cabinet Secretary, Ministry of Agriculture. I

