

## NATIONAL RECORD

By JOSHUA SHITIKHO

FORMER powerful cabinet minister Nicholas Biwott should be made to pay Shs 800 million he borrowed from the Deposit Protection Fund, it was said yesterday.

Former Central Bank of Kenya governor Micah Cheserem asked the government to compel Biwott to pay the money he borrowed from the Fund almost 10 years ago.

Cheserem told the judicial commission of inquiry into the Goldenberg scandal that the monies advanced to companies associated with the Keyio South legislator were approved irregularly.

"My lords, Hon Biwott must pay the money he owes Deposit Protection Fund," Cheserem told commission chairman Samuel Bosire, vice chairman Nzamba Kitonga and commissioner Peter Le Pelley.

Cheserem's recommendation came hot on the heels of demands by DPF that Biwott's companies pay a staggering Shs 27 billion to the government.

The companies took the money from DPF and Central Bank of Kenya as loans which could be recovered.

DPF lawyer, Cecil Miller told the Goldenberg Inquiry that LZ and HZ construction companies - both associated with Biwott - have not repaid the loans they took from the

# Biwott must repay Shs 800m, says former CBK governor



A cross-section of members of the public at yesterday's Goldenberg Inquiry proceedings at KICC - JOHNSON NJENGA

defunct Trade Bank Limited.

Biwott is supposed to pay Shs 7.8 billion in interests accrued from a Shs 523 million Trade Bank loan at CBK, Shs 9 billion including interest accruing from H.Z.'s Shs 500

million non-performing loan and Shs 600 million taken from Trade Bank and Pan African Bank.

The staggering amount, which lumps together the principal amounts and the

accruing interest, was arrived at by the liquidation agent of the collapsed Trade Bank based on records from the archives of the bank. Biwott together with his companies received the money on diverse dates in early 1992 to

save Trade Bank from collapse.

However, it emerged that part of the money was used to construct the magnificent Yaya Centre in Nairobi's Hurlingham area. Although Yaya Centre had been charged

as the security for the loan, it later turned out that the loan was never repaid and DPF lost the security.

Once the Shs 600 million had been lent to Trade Bank, half of the money was paid off to HZ, while the other half was paid off to Pan African Bank.

It is not clear why the bank never improved its liquidity position but went on to hand over a lifeline extended by DPF to customers who owed it.

It later emerged that obscure companies were used to secure the staggering sums of money, as soft loans from CBK under the pre-export finance scheme, under which exporters were to receive funds to enable them speed up their manufacturing process in order to attract more foreign currency into the country.

Signatories to the accounts in Trade Bank included former cabinet minister Gideon Ndambuki, James Mwangi, Ian Rayner and Alnoor Kassam.

Yesterday, Cheserem said the approval to grant Trade Bank the loan was done hurriedly and in contravention with the provisions in the CBK Act.

He accused his predecessor, Eric Kotut and former treasury permanent secretary, Wilfred Koinange of hurriedly approving the loan to Trade Bank, which had huge overdrafts.

## City firm given exclusive rights to advertise in street lighting project

By ANTHONY MWANGI and NDUNG'U SARAH

THE controversy surrounding the street lighting project deepened yesterday after it emerged that the City Hall has given Adopt-A Light the exclusive rights to advertise. A confidential memo sent to the City Engineer and Director of City Planning by Nairobi Town Clerk Franklin Magaju indicates that only a company dealing with street lighting would be licensed to advertise along the highways.

Other companies in the business have, therefore, been locked out as Adopt-A Light enjoys the sole rights.

The memo reads in parts: "In view of the government intervention to have the lighting of the highways completed urgently, you are advised to ensure that only advertisements that are in furtherance to this purpose are allowed on the said highways."

The clerk went ahead to name the affected highways as Uhuru Highway, Mombasa Road, Kenyatta Avenue, Airport Road and Moi Avenue, among others.

Twelve outdoor advertisers operating in the city have raised eyebrows over the matter saying that with the major highways dominated by Adopt-A Light, they will be forced to close down their business with hundreds losing jobs. The operators told *The People Daily* that they had



Aketch: On spot

been turned away by clerks at the city hall following the directive.

They, therefore, want the minister for local government to intervene and at the same time called on the advertisers not to abet corruption by advertising with Adopt-A Light.

The memo indicated that the firm dominates in all the 23 major highways in the city.

Adopt-A Light has been in the limelight over its financial dealings with the Nairobi City Council.

The town planning committee chairman David Kaberere recently told a full council meeting that the firm was ripping off the council over Shs 50 million in advertising.

The civic leader told the full council meeting that the council had weak advertising policy, which should be reviewed. He,

however, noted that streamlining of the outdoor advertisement within the council was still lacklustre.

Councillors have noted with concern the granting of the exclusive rights to use street light poles on the approved streets for purpose of advertising to Adapt-A Light.

Kaberere told members that according to the agreement, the operator was to use the council poles while the council was to meet all the costing including electricity.

"This violated the council by-laws of advertising on the road reserves and the legal section was not consulted," he explained. Kaberere pointed out that the operator was earning more on advertising at the expense of the council.

According to the agreement, the contract is renewable after five years but could be revoked before expiry. Kaberere alleged that all advertisers were guilty of not paying revenue to the council.

Kaberere said the council has experienced proliferation of uncoordinated outdoor advertisement, which jeopardises the City's aesthetic image and amenity provision considerations.

"According to Cap 286 Physical Planning Act 1996) Outdoors Advertisement constitute Class A development for they involve material change on land," he added.



### OFFICE OF THE VICE-PRESIDENT & MINISTRY OF HOME AFFAIRS

#### TENDER NOTICE

Tenders are invited for the supply and delivery of the following items for the financial years 2004/2005.

Tender No. NYS/T/1/2004 - 2005 for the supply of Boots and Shoes.  
Tender No. NYS/T/2/2004 - 2005 for the supply of uniform and clothing.  
Tender No. NYS/T/3/2004 - 2005 for the supply of Headgear, Belts and Badges etc.  
Tender No. NYS/T/4/2004 - 2005 for the supply of beddings, Towels etc.  
Tender No. NYS/T/5/2004 - 2006 for cutting, making and trimming (CMT charges)

The documents containing detailed specifications and general conditions of tendering can be obtained during official working hours from Room 113, 1st Floor NYS Headquarters, Ruaraka Nairobi. Upon payment of a non-refundable fee of Kshs. 6,000/= per set of tender document to the Cashier's office at ground floor, Accounts Building, either in cash or banker's cheque.

Completed Tender Documents enclosed in plain, sealed envelopes and clearly marked with the appropriate Tender Number bearing no indication of the identity of the tenderer should be addressed/returned to:

The Director  
National Youth Service  
P O Box 30397  
NAIROBI

or be deposited in the Tender Box Situated at the Reception Desk, 1st Floor NYS Headquarters, Ruaraka, Nairobi so as to reach him on or before Thursday 3rd June, 2004 at 10.00 a.m. Tender opening will be done immediately thereafter and bidders wishing to witness can attend.

Prices quoted must be Net (inclusive of all Government of Kenya Taxes) expressed in Kenya shillings and must remain valid for 120 days from the closing date. Bank Guarantee must be executed at 2½% of the value of the items bid for from a reputable bank.

Bidders MUST comply with the NYS Standards as indicated in the tender documents.

The Government reserves the right to accept or reject any tender either in whole or in part and is not bound to give reason(s) for its decisions.

E. J. Obebo  
For: Director  
NATIONAL YOUTH SERVICE