The Forum for the Restoration of Democracy (FORD) yesterday accused the Government of committing more than Sh1.2 billion in taxpayers' money on "questionable" projects signed recently with two British firms.

The FORD's interim chairman, Jaramogi Oginga Odinga, claimed yesterday that two weeks ago, the Ministry of Finance signed a Kenya Police telecommunications contract with Philips PRCS of Cambridge, Britain, that would cost the Kenyan taxpayer Sh870 million.

At about the same time, Mr Odinga charged, the Government also signed a contract for the rehabilitation of communications equipment for the Office of the President with Racal Communications of Britain worth Sh348 million when the value of this project should have been no more than a fifth of this amount or about Sh70 million.

Mr Odinga said the estimated value of the police contract should have been approximately Sh290 million or about a third of the Government commitment.

"Further to this, a commercial agreement was made when grant money for this project was available. We have information that the initial agreement was with Alcatel of France on a grant basis," Mr Odinga told a Press conference at the FORD headquarters at Agip House, Nairobi.

The deal, he said, involved "some strange financial arrangements. For example the company concerned (Philips PRCS) is offering five years credit inclusive of a two-year grace period at 1.58 per cent per annum."

The FORD chairman said the interest rate on the loan was far below commercial rates worldwide and "one can only assume that it will be recovered by inflating the price of the project".

He wanted to know why the Government was borrowing money when a grant was available. Mr Odinga said the two projects were some of the latest "in a long list of dubious projects signed over the years".

Others on the list are the Kenya Ports Authority's dredging of harbours project, the contract for the rehabilitation of the runways and lighting equipment for the Jomo Kenyatta International and Wilson airports and the proposed Ewaso Nyiro project.

"All are reckoned to be costing the country and the Kenyan taxpayer more than they should," the FORD leader said.

Because of these questionable deals, he said, his party demanded that the Government should give full and explicit details of the projects to the public.

The party also demanded that independent auditors, with the relevant economic and technical expertise, evaluate the projects.

"FORD requests that Kenya's bilateral and multi-lateral donors examine these projects and especially the two most recent ones."

The party specifically appealed to the British Government, the World Bank and the International Monetary Fund to thoroughly evaluate the two communications projects and use their influence to halt them if they found the projects to be irregular.

Mr Odinga claimed that the projects were not subjected to international competitive tendering procedures. The Government, he said, should explain why it had not followed this practice for many years.

The FORD also wanted to be told whether the Attorney-General approved the projects and if so, why?

And in Britain, a spokesman for Racal Communications based in Reading, Berkshire, refused to comment on the FORD allegations directly "as all contracts for radio equipment with foreign governments tend to be subject to conditionality clause" prohibiting comment on the nature of any agreement.

Racal were even unable to say whether they have a contract with the Kenya Government.