

NATIONAL ASSEMBLY

OFFICIAL REPORT

Wednesday, 2nd November, 2011

The House met at 2.30 p.m.

[Mr. Speaker in the Chair]

PRAYERS

COMMUNICATION FROM THE CHAIR

WELCOME TO DELEGATION FROM PARLIAMENT OF UGANDA

Mr. Speaker: Order, hon. Members! I have a Communication to make. I wish to introduce to you and welcome this afternoon a delegation from the Parliament of Uganda seated at the Speaker's Row. They are Members of the Committee on Rules, Privileges, and Discipline of the Parliament of Uganda. They are on a bench-marking tour to learn our best practices with regard to rules and procedures, operations of the Speaker's Panel and Committee operations. They are:

1. Hon. Simon Mulongo, Leader of Delegation;
2. Hon. Sembija Vibi, Member;
3. Hon. Achire Christopher, Member; and
4. Harriet Akinyi, Delegation Secretary.

On behalf of the House and my own behalf, I wish the delegation a fruitful and happy stay in Kenya.

PETITION

APOLOGY/ COMPENSATION FOR UNLAWFUL ARREST AND DETENTION OF MESSRS. SHIKUKU/ SERONEY

Mr. Mututho: Mr. Speaker, Sir, on Thursday 12th May, 2011, I raised a Petition on behalf of hon. Martin Shikuku and the late hon. Jean Marie-Seroney and you subsequently ruled and directed that the Petition be committed to the Minister of State for Provincial Administration and Internal Security. He was expected to make a Statement in the House on the Petition within 21 days from the date thereof. It is now 173 days and there is no indication whatsoever that this matter is receiving any attention.

Mr. Speaker, Sir, I seek directions. Although in the past you have ruled that Committees should move on their own motion, I really find it odd that where the Chair directs that a certain timeframe be observed, the Executive has continued to defy this. In this case, 173 days is a long period.

Mr. Speaker: Very well. Your point is made. I do not see the Minister of State for Provincial Administration and Internal Security here. Mr. Oparanya, do you want to hold brief for him?

The Minister of State for Planning, National Development and Vision 2030
(Mr. Oparanya): Mr. Speaker, Sir, I will pass the information to him and request him to respond.

Mr. Speaker: How about the urgency of the matter? How are you going to deal with that?

The Minister of State for Planning, National Development and Vision 2030
(Mr. Oparanya): Mr. Speaker, Sir, I will ask him to respond by Tuesday, next week.

Mr. Speaker: Let it be so and it is accordingly directed!

PAPERS LAID

Report of the Constitutional Implementation Oversight Committee on the nomination of Chairperson and members of the Commission on Administrative Justice.

Report of the Constitutional Implementation Oversight Committee on the nomination of Chairperson and members of the Independent Electoral and Boundaries Commission (IEBC).

(By Mr. Abdikadir)

NOTICES OF MOTIONS

APPROVAL OF CHAIRPERSON/MEMBERS OF COMMISSION ON ADMINISTRATIVE JUSTICE

Mr. Abdikadir: Mr. Speaker, Sir, I beg to give notices of the following Motions:-

THAT, this House adopts the Report of the Constitutional Implementation Oversight Committee on the approval of the Chairperson and members of the Commission on Administrative Justice laid on the Table on Wednesday, 2nd November, 2011.

APPROVAL OF CHAIRPERSON/MEMBERS OF IEBC

THAT, this House adopts the Report of the Constitutional Implementation Oversight Committee on the approval of the Chairperson and members of the Independent Electoral and Boundaries Commission (IEBC) laid on the Table on Wednesday, 2nd November, 2011.

OUTSTANDING LOANS OWED BY TEA FACTORIES

Dr. Khalwale: Mr. Speaker, Sir, I beg to give notice of the following Motion:-

Aware that tea farming is the leading foreign exchange earner in Kenya and that Kenya's tea is the most popular brand the world over for

its consistent high quality; considering that most tea factories owe colossal amounts of money in terms of loans to various financial institutions in the country; concerned that these loans impact more heavily on the small scale tea farmers who contribute highly towards tea export; concerned further that if these loans are not either waived or written off, tea production may be compromised both in quality and quantity thereby impacting negatively on our Gross Domestic Product; this House urges the Government to take over all the outstanding loans owed to respective financial institutions by the tea factories, so as to spur economic growth, sustain the tea quality, sustain the quantity of tea produced and further make the small scale tea farming more profitable.

ESTABLISHMENT OF MEN ENTERPRISE FUND

Mr. Wambugu: Mr. Speaker, Sir, I beg to give notice of the following Motion:-

Noting that the Youth Enterprise Development Fund (YEDF) established in 2006 with the sole purpose of reducing unemployment among the youth within the age bracket of 18 years to 35 years has done a commendable job; concerned that whereas women have the Women Enterprise Development Fund (WEDF) to fall back on or upon attaining the upper age bracket, men have no agency to assist them; this House urges the Government to establish a men enterprise fund to increase economic opportunities for and participation by vulnerable Kenyan men in nation-building.

QUESTIONS BY PRIVATE NOTICE

AWARD OF CURRENCY PRINTING CONTRACT TO DE LA RUE

Dr. Khalwale: Mr. Speaker, Sir, I beg to ask the Deputy Prime Minister and Minister for Finance the following Question by Private Notice.

Could the Minister confirm that De La Rue, a British Company, has been awarded a 10-year monopoly for printing Kenyan currency notes without being subjected to competitive international tendering?

Mr. Speaker: Mr. Deputy Prime Minister and Minister for Finance!

The Minister of State for Planning, National Development and Vision 2030 (Mr. Oparanya): Mr. Speaker, Sir, the Deputy Prime Minister and Minister for Finance is on the way! I request that you defer this Question until the second round.

Mr. Speaker: Business begins at 2.30 p.m. It has been that way since 1963! Why would the Deputy Prime Minister and Minister for Finance not know that?

The Minister of State for Planning, National Development and Vision 2030 (Mr. Oparanya): Mr. Speaker, Sir, due to heavy rains, maybe, there is traffic jam.

(Laughter)

Mr. Speaker: Fair enough! We will give him the benefit of the doubt for the moment although, of course, not kindly! This is because we are all subject to the same conditions.

FORMULATION OF POLICY ON PROTECTION OF IDPS

Mr. Ethuro: Mr. Speaker, Sir, I beg to ask the Minister of State for Special Programmes the following Question by Private Notice.

(a) Can the Minister confirm that Kenya lacks a national policy on the prevention of internal displacement and the protection and assistance to Internally Displaced Persons, despite the presence of thousands of IDPs and the fast-approaching General Elections?

(b) Could the Minister appraise the House on the status of approval of the said policy as well as the status of IDPs resettlement?

(c) What steps is the Minister taking to fast-track the formulation, approval and implementation of the policy?

Mr. Ethuro: Mr. Speaker, Sir, you realize that in part “b” of the Question there is a word that has been misspelt. Instead of “appraise” it is written “advise”.

I also would like to confirm that I was almost swallowed by the raging floods at the entrance of Parliament, but I survived to come because this is very important.

Mr. Speaker: Yes. I think the Front Bench should note that. Hon. Members, as a matter of fact, I had corrected the misspelling in part “b” of the Question. Maybe the computers did not respond to the correction.

Is the Minister of State for Special Programmes in? Hon. Charity Ngilu, would you hold brief for your good sister? What is happening to her?

The Minister for Water and Irrigation (Mrs. Ngilu): Mr. Speaker, Sir, I will do so. I am sure it is the same reason – the rains are very heavy. It is only that the water is going to the ocean!

Mr. Speaker: You are here yourself, hon. Ngilu. You did not need a boat to get here, did you? We will come back to it a little later.

DETAILS OF GRENADE ATTACKS IN NAIROBI

(Mrs. Shebesh) to ask the Minister of State for Provincial Administration and Internal Security:-

(a) Could the Minister apprise the House on the particulars of the recent grenade attacks on civilians in different parts of Nairobi and provide an update of the progress of investigations into the incidents?

(b) Can the Minister confirm that the grenade attacks on civilians in different parts of Nairobi is related to the “*Operation Linda Nchi*” in Somalia?

(c) What measures has the Ministry instituted to enhance security and guarantee the safety of Kenyans, especially in Nairobi?

(Dr. Laboso stood in her place)

Mr. Speaker: Order, hon. Dr. Laboso! You really cannot do that! We will treat Mrs. Rachel Shebesh the same way we have treated the Ministers preceding her and we will come back to the Question a little later.

ORAL ANSWERS TO QUESTIONS

Question No.985

REVIEW OF DIRECTIVE ON HIRING OUT OF SCHOOL BUSES

Mr. Ruteere asked the Minister for Education:-

(a) if he is aware that most secondary schools have bought buses on hire-purchase and have made arrangements to repay from proceeds of hiring out of the buses as well as money raised through development funds;

(b) what informed the Minister's directive to stop the hiring out of school buses to the public; and

(c) if he could consider rescinding that directive.

Mr. Speaker: The Minister for Education!

The Minister of State for Planning, National Development and Vision 2030

(Mr. Oparanya): Mr. Speaker, Sir, maybe it is the same reason! Please, consider it in the second round!

Mr. Speaker: Fair enough!

Question No.1007

RECOGNITION OF MOMBASA/KISUMU AS CITIES

Mr. Chachu asked the Deputy Prime Minister and Minister for Local Government:-

(a) if he is aware that the National Population Census categorizes Nairobi, Mombasa and Kisumu as cities;

(b) why the Ministry has not given charters or other legal recognition to Mombasa and Kisumu following their elevation by the President; and

(c) when the two cities will attain legal recognition as cities.

Mr. Speaker: Is the Minister present? That does not look interesting. Member for Juja!

Question No.1072

STATUS OF ESP PROJECTS IN JUJA CONSTITUENCY

Mr. Kabogo asked the Minister of State for Planning, National Development and Vision 2030 if he could provide a progress report on all

the projects undertaken by the Ministry in Juja Constituency through the “Economic Stimulus Programme”,

The Minister of State for Planning, National Development and Vision 2030 (Mr. Oparanya): Mr. Speaker, Sir, this Question was redirected to the Office of the Deputy Prime Minister and Ministry of Finance. The Deputy Prime Minister and Minister for Finance has confirmed that he is coming to answer this Question. The role of my Ministry was very minimal. I was only involved in monitoring and evaluation. So, the implementing Ministry was the Office of the Deputy Prime Minister and Ministry of Finance.

Mr. Speaker: Fair enough! I have intimation, in fact, that the Deputy Prime Minister and Minister for Finance has accepted this Question and he will be answering it this afternoon.

Member for Gichugu!

(Mr. Kabogo stood up in his place)

Order, Mr. Kabogo! Some of these matters let them rest! You will take on the Minister when he stands here to answer! Let us use our time optimally.

Question No.1205

CONGESTION IN KERUGOYA DISTRICT HOSPITAL

Mr. Speaker: She is not yet in? Let us give her similar treatment as has been extended to the Ministers.

Member for Makueni!

Question No.1233

CONSTRUCTION OF BRIDGE ACROSS KIATINI (MUONI) RIVER

Mr. Kiilu asked the Minister for Roads:-

(a) whether he is aware that residents of Mutyambua and Kasikeu locations are unable to cross Kiatini (Muoni) river to Kasikeu Market during rainy seasons; and

(b) what plans the Minister has to construct a bridge across the river.

Mr. Speaker: Prof. Saitoti, this does not look very interesting! It is obviously not acceptable more so when we have visitors from the neighbouring Republic of Uganda. They must be wondering what these Kenyan legislators are up to, I beg your pardon, what the Ministers are up to!

The Minister of State for Provincial Administration and Internal Security (Prof. Saitoti): Mr. Speaker, Sir, from the outset, I would like to give an apology on behalf of my colleagues in the Cabinet who have not actually come on time. I do not think it was foreseen that it was going to rain heavily. As a result of the rainstorm, I believe, they have been late. I have no doubt that they will be coming here very soon.

Mr. Kabogo: Mr. Speaker, Sir, is it in order for the Minister, Prof. George Saitoti to insinuate that Members who are sitting here have rain-combating vehicles and that is why they are here? We came through the rain and the Ministers are duty bound to be here to answer Questions. Prof. Saitoti is not taking this matter seriously. Is he in order?

The Minister of State for Provincial Administration and Internal Security (Prof. Saitoti): Mr. Speaker, Sir, I did not make any reference at all that those of us who are here have some kind of armor to protect us from the rain. In fact, there is already an Assistant Minister here! That one clears me from the fact that it is a problem caused by the rain. I am sure they will be coming on time.

QUESTION BY PRIVATE NOTICE

FORMULATION OF POLICY ON PROTECTION OF IDPS

Mr. Ethuro: Mr. Speaker, Sir, for the second time, I beg to ask the Minister of State for Special Programmes the following Question by Private Notice.

(a) Could the Minister confirm that Kenya lacks a national policy on the prevention of internal displacement and the protection and assistance to Internally Displaced Persons, despite the presence of thousands of IDPs and the fast approaching General Elections?

(b) Could the Minister appraise the House on the status of approval of the said policy as well as the status of IDPs resettlement?

(c) What steps is the Minister taking to fast-track the formulation, approval and implementation of the policy?

The Minister of State for Special Programmes (Ms. Mathenge): Mr. Speaker, Sir, I wish to first of all give my apologies for being late, but the jam is really something else.

However, I beg to respond.

(a) I wish to confirm that Kenya lacks a national policy on the prevention of Internally Displaced Persons (IDPs). In recognition of this gap, we prepared a Cabinet Memorandum in May which we circulated to various stakeholders. Last month, we got response. We hope that in the next one or two weeks, it will be able to reach the Cabinet level.

(b) Through the *Operation Rudi Nyumbani*, the Government has managed to persuade 350,000 individuals to go back to their farms. On this we have been able to give *ex gratia* payment of Kshs10,000 and Kshs25,000 equivalent to Kshs2,562,290 to various people who were affected by the Post-Election Violence (PEV).

The Government has also obtained a loan of Kshs1 billion from the African Development Bank for the construction of houses for the Internally Displaced Persons (IDPs) both in Nakuru and Uasin Gishu counties. We have now constructed 13,443 houses of which 12,732 are occupied. An additional 30,953 houses that were burnt have been reconstructed both by donors and by the individuals through an *ex-gratia* of Kshs25,000. That programme also has a provision of livelihood recovery where we have assisted 1,600 households and it is still on-going. As per the data bank that the Ministry has, we have 6,978 households who are in 20 self-help groups. Out of those, we have settled 2,093 IDPs on 7,008 acres of land. Currently, we are in the process of demarcating and planning 1,447 acres where we shall settle 843 IDPs. Another 928 acres is at various

stages of procurement and will accommodate 331 households. Arrangements are also underway to construct 2,593 houses for the Turkana IDPs who were also displaced. However, the process of constructing those houses has been delayed due to disagreements with the local leaders and the communities on the type of houses to be built, but discussions are going on, on whether we should do inter-locking blocks or mud-walled houses. As soon as this is finalized, we will be able to do the construction.

We also have a total of 424 refugees out of the 640 who had fled to Uganda and they have come back. We have given them both the Kshs10,000 and the Kshs25,000 *ex-gratia*. The Government has also settled a total of 46,340 households who were in 110 transit camps and the modalities are being worked out to resettle the remaining 158 households in eight camps within Kuresoi District.

Mr. Speaker, Sir, the IDP resettlement programme---

Mr. Olago: On a point of order, Mr. Speaker, Sir. You have repeatedly said in the House that answers should be precise. I have been listening very keenly to the answer by the hon. Minister and, apart from being wordy, the answer so far given does not touch on policy. Is it in order to go on like that?

Mr. Speaker: I have no doubt that the Minister has been hearing me even as I have appealed to the Front Bench consistently, including yesterday.

The Minister of State for Special Programmes (Ms. Mathenge): I have already said that the policy has been done and I am waiting for it to be approved by the Cabinet. The second part of that Question was to give the status of the IDPs resettlement and that is what I was doing.

Mr. Speaker: Order, Madam Minister! You have no reason to be irritated. It is just that if you answered this Question bearing in mind the need for brevity, you would have done so in five minutes, at most. You have done so far, ten minutes. That is not doing very well and hon. Members are entitled to complain. So, do not be irritated; just learn to be calm.

The Minister of State for Special Programmes (Ms. Mathenge): Mr. Speaker, Sir, I think I am calm. I was just trying to tell him that I was answering the Question as asked.

Mr. Ethuro: Mr. Speaker, Sir, first, I want to agree with the Minister for giving a comprehensive answer and to state that this is an important matter and the Minister was right to give us a comprehensive answer.

Mr. Speaker: Order, hon. Member for Turkana Central! I do not think that it is your duty now to decide who is right and who is wrong between the hon. Member for Kisumu Town West and the Minister. When you sit on the Chair, you may have that prerogative but, for now, you do not.

Mr. Ethuro: I stand guided, Mr. Speaker, Sir. I was just expressing an opinion that I think the Minister is right. But, having said that, the real essence of this Question is about policy for the protection of displaced persons as well as the resettlement of existing IDPs. The Minister says that there are still 158 households in Kuresoi--- The issue I want the Government to confirm is what timeline is being put in place to ensure that each and every IDP is settled. When are you going to settle them bearing in mind that we are going to have a general election and those are people who were displaced in the previous post-election violence? It is important that the Government comes clean on this one and in good time. We need to have a definite timetable. When are you resettling all of them?

Ms. Mathenge: Mr. Speaker, Sir, my mandate was just to settle the 2007/2008 post-election violence victims and that is on track. I was going to state the challenges, but I was told not to elaborate. But when the policy is out, it will address the issue of all the other IDPs in the country. We shall be able to deal with them when the policy comes into force.

Mr. Speaker: Madam Minister, the Question you have been asked is to give the time line. By what date will you have settled all the IDPs that are within your mandate to settle?

Ms. Mathenge: Mr. Speaker, we hope to do it before the end of the year.

Mr. Gaichuhie: Mr. Speaker, Sir, I also want to thank the Minister because she has bought four farms in my constituency. But the only problem is that she has brought people, but they have not been settled. She has only transferred camps from their original places to those four farms. My question to the Minister is this: When is she going to resettle those people or allocate each of them a plot so that they can be settled, other than transferring camps.

Mr. Ruto: On a point of order, Mr. Speaker, Sir. Although the matter is actually very important and the Minister should be asked to keep such accounts, the Question as per the Order Paper is talking strictly about policy. I would really expect that we prosecute the question of policy. Would I be in order to request the Minister to find time to appraise the House about the resettlement in a manner that is clearly understood by everybody? That is because it is misleading right now.

Mr. Speaker: That is a good concern, but the point at which you have raised that point of order is actually out of order. That is because you have raised your point of order after the hon. Member for Subukia has asked a supplementary question. The timing is wrong. So, I cannot uphold it. I am afraid I decline. Madam Minister, answer the question by the hon. Member for Subukia.

Ms. Mathenge: Mr. Speaker, Sir, regarding the IDPs who have been settled in the four farms in Subukia, we have issues of land ownership although the Government has fully paid. I am waiting for the Ministry of Lands to resolve the issues that arose when we took the IDPs there. Then we will demarcate and give them their two and a quarter acres of land.

Mr. Speaker: Honourable Odhiambo-Mabona! You know we take the first one on their feet. You may not have noticed that she was up first.

Mrs. Odhiambo-Mabona: Because I am short, I have to be fast.

Mr. Speaker, Sir, I want to thank the Minister for the comprehensive answer and for actually heeding to the persistent lobbying by Mr. Ethuro about the IDPs in Turkana, by taking into account the Turkana IDPs. That is because I have also been lobbying persistently for integrated IDPs especially in Kisumu, Homa Bay and Mbita counties specifically. The register never reached there, even though there were IDPs who went there. Is the Minister considering integrated IDPs in the policy and when does she intend to pay those IDPs from Homa Bay, Kisumu, Mbita and Suba?

Ms. Mathenge: Mr. Speaker, Sir, the IDPs policy, as I said, will take care of all the IDPs who have not been taken care of. Again, and I remember the last time when we had that Question, I requested you give me the list of all the IDPs who have not been paid, so that I can counter-check and ensure that they are paid. I have not seen it.

Mrs. Odhiambo-Mabona: On a point of order, Mr. Speaker, Sir. Is the hon. Minister really in order to ask me to do her work? I am a member of the Committee on IDPs and when we visited, we were told that the Provincial Administration that they were using sent the list to them. They had stuck with the list and the Chairman can attest to that. There was no response! Is it fair to ask me to do the work of the Ministry? I am a Backbencher!

Mr. Speaker: Order! I determine that it is fair for the Minister to ask you to supply her with the list of the information as you may have.

Mrs. Odhiambo-Mabona: I do not have!

Mr. Speaker: Particularly when you say that when you visited the area, you were informed by the Provincial Administration that they had forwarded a list to the Minister. If I was in your shoes and, indeed, what a reasonable man or legislator will do, is ask the Provincial Administration to give you a copy of that list that they say they forwarded to the Minister, so that you can follow up the matter and verify that action has been taken.

Mr. Ethuro: On a point of order, Mr. Speaker, Sir. Indeed, we would gladly do so. But when we visited, the Provincial Administration could not give us the document because they treated it like some secret document which already had been given to the Government.

(Applause)

I do not think it is also unfair because the Minister is a Minister in the Government. She can request the same information either from her own files or even from the same Provincial Administration because that is not our job.

Mr. Speaker: Order! We are all serving a common purpose. As a legislator, you are duty bound to oversight. How do you oversight if you cannot go for information which may be available?

Mrs. Odhiambo-Mabona: The Provincial Administration is unco-operative!

Mr. Speaker: Order, Mrs. Odhiambo-Mabona! If the Provincial Administration is not co-operating with you, please, let it be known to me. I will push these Ministers to ensure that the Provincial Administration co-operates with you.

Mr. Imanyara: Mr. Speaker, Sir, the Questioner is the Chair of the Select Committee on IDP, of which I serve. My request is for clarification on the answer given on part "c" regarding the policy. You will recall that when this House extended the terms of reference of the Committee to December this year, part of the reason was to enable us to come with a draft Bill before this House. During our Committee's meetings, the Ministry had undertaken to ensure that this policy is communicated to the House well before the terms of reference come to an end, so that we can incorporate the policy within the legislation that is being proposed. Could the Minister confirm to this House that the draft policy will be known some time before the end of November so that the Committee can perform its task within the time given by this House?

Ms. Mathenge: Mr. Speaker, Sir, that is not a problem because the policy has been done and, like I said, I drafted it in May. It was circulated to all the stakeholders and returned to me in October with various comments. So, you can have it even tomorrow if you wish.

(Eng. Maina stood up in his place)

Mr. Speaker: Order, Eng. Maina! You take too long to make up your mind! Member for Gichugu!

Ms. Karua: Mr. Speaker, Sir, while I say that I will forward a list of integrated IDPs in Gichugu and any other list provided to me by the sufferers, I want the Minister to assure the House that she is coordinating with the Ministry of Lands. That is because there appears to be push and pull with regard to the settlement of the post-election violence IDPs. Could she also confirm that where land is not readily available, she will consider giving those IDPs money and ensure that she settles whole camps to ensure no people return after that exercise?

Ms. Mathenge: Mr. Speaker, Sir, that is on course and the Prime Minister has called for a meeting between the two Ministers so that we can resolve it. On the issue of giving cash to IDPs, some of the IDPs are opposed to it. We are still discussing the issue so that, when it is done, it is done once and for all.

Mr. Ethuro: Mr. Speaker, Sir, when I asked the question on the specific timeline – and which you agreed with me - the Minister stood and said by December and then, with the body language, she said: “I hope”. I want this Government to realize that issues of IDPs are part of the agenda that was agreed by the National Dialogue and Reconciliation Team - Agenda 4. It is not a matter of “if”. Last time, we were told that the Government will settle all of them by December. I fear that, as we go towards the next general election, there is a matter that remains pending, and which must be determined. I want my good friend, the Minister, to confirm to Kenya that the Government is serious in settling all the IDPs and they will be resettled by December and not beyond December.

Ms. Mathenge: Mr. Speaker, Sir, I think that would be a little bit difficult because of the challenges that I was stating. First of all, you, as hon. Members, have resisted the resettlement of IDPs in your communities. So, those are some of the challenges that we are facing. Until all of us talk with one language that we want the IDPs to be settled, it will be difficult. But as long as we are not talking with one language, then it will be very difficult.

(Mr. Ruto stood up in his place)

Mr. Speaker: Order, Mr. Ruto! Madam Minister, there was a genuine concern raised by Mr. Ruto, although the point of order was not properly timed. But it is a matter that I think you should address yourself to. When will you have a public forum at which all hon. Members will be invited to be updated on the progress you are making to deal with the problem of IDPs?

Ms. Mathenge: Mr. Speaker, Sir, I can arrange for a forum within the month of November.

Mr. Speaker: Within the month of November! Very well!

(Mr. Ruto stood up in his place)

Order, Mr. Ruto! We have spent 25 minutes on that Question, and I am not about to give it any more time! Wait for the forum in November!

AWARD OF CURRENCY PRINTING
CONTRACT TO DE LA RUE

Dr. Khalwale: Mr. Speaker, Sir, for the second time, I beg to ask the Deputy Prime Minister and Minister for Finance the following Question by Private Notice.

Can the Minister confirm that De La Rue, a British Company, has been awarded a ten-year monopoly for printing Kenyan currency notes without being subjected to competitive international tendering?

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Speaker, Sir, I apologize for coming late, but I beg to reply.

I am not aware of a British Company, De La Rue, that has been awarded a ten-year monopoly of printing Kenyan currency notes without being subjected to international competitive tendering.

Dr. Khalwale: Mr. Speaker, Sir, I wish to request for your indulgence so that I can share with the House my frustration and that of the Committee that I chair, the Public Accounts Committee (PAC), in respect of this matter.

Mr. Speaker: Just do what you should do as the Standing Orders permit you. You may lay the background for your question, but you must surely come to the question quickly.

Dr. Khalwale: Mr. Speaker, Sir, the gist of what I am about to say is that what the Minister has told us amounts to refusal to answer the Question. Allow me to share with the House my frustration and that of my Members in my Committee. I wish to draw the attention of the Minister to Article 35 of the Constitution of Kenya, Subsection (1) and (3). Subsection (1) says that every citizen has the right of access to information held by the State. Subsection (3) says that the State shall publish and publicize any important information affecting the nation. That is the law! In 2003, the Minister for Finance, Mr. Mwiraria, cancelled the contract which had been signed a few weeks before President Kibaki was sworn in. It had been signed between the Government of President Moi and that company. Mr. Mwiraria cancelled the contract. The reason was that it was wrong for a company to be given a monopoly without being subjected to competitive bidding.

(Applause)

Secondly, Mr. Mwiraria said it was wrong to give that monopoly for ten years, instead of the stipulated five years renewable period. When we became seized of this matter as the PAC, we raised the matter and demanded for a special audit by the Controller and Auditor-General. The reason for that is that when Mr. Mwiraria cancelled the contract, in 2005, he floated an open tender which the same company won at US\$51 million. The new Minister then, Mr. Kimunya, went on and cancelled that new contract which that company had won and asked them to revert to the old one, which was costing the taxpayer US\$130 million. We were then forced to ask for a special audit and, more importantly, because at that time the Government had paid a deposit of US\$25 million. So, we asked for that audit because we wanted to know the fate of the US\$25 million.

The matter has since gone to “sleep” but, in the meantime, the Controller and Auditor-General wrote to us saying that he was not going to do a special audit citing the Banking Act which, for your information and as you know, is inferior to the Constitution of Kenya that demands that the Auditor-General must audit all public funds. That is the background.

(Applause)

Mr. Speaker: Come to the question!

Dr. Khalwale: That is the background, Mr. Speaker, Sir. I have laid my background!

Mr. Speaker: Yes, you have!

Dr. Khalwale: So, Mr. Speaker, Sir, what I would like the Minister to do is to table that letter of cancellation of that contract by Mr. Kimunya and, after tabling, to be a patriotic Kenyan in view of the fact that he is a presidential candidate and tell Kenyans why this Government, in a recent Cabinet decision, took that unlawful decision that is against the Public Procurement and Audit Act?

(Applause)

Mr. Kenyatta: Mr. Speaker, Sir, I wish to repeat that I am not aware of any contract with De La Rue for the printing of Kenyan currency notes. What I believe the Questioner is asking is about a previous contract, possibly, but there is no contract currently that has been given to any company for the printing of Kenyan currency notes. There is no such contract and neither has any such tender been issued for the printing of any Kenyan currency.

Mr. Mbadi: Mr. Speaker, Sir, the question I would like the Minister to answer is this: Is it true that the Government of Kenya is either buying or is being offered shareholding in De La Rue? If that is so, could he table a feasibility study carried out by the Government of Kenya to determine the viability and profitability of such an initiative?

Mr. Kenyatta: Mr. Speaker, Sir, that, indeed, is a separate Question from the one that has been asked. Nevertheless, I have no problem in doing what the hon. Member is requesting. But the point of the matter is that, that is a separate question relating to the purchase of De La Rue printing firm here in Kenya. It is true that negotiations are ongoing between the Government of Kenya and De La Rue on the purchase of a shareholding in that particular company. I have no problem because that same information, even before the transaction is concluded, is supposed to be presented to the relevant Parliamentary Committee for their approval before we can progress. So, I have no problem with that at all.

(Applause)

Mr. Lessonet: Mr. Speaker, Sir, now that the Deputy Prime Minister and Minister for Finance has indicated that there is no current contract for printing currency, who prints the currency now?

Mr. Kenyatta: Mr. Speaker, Sir, the currency that is available is adequate in stock and, therefore, there is no need for new printing or tendering for new currency. As this House is already aware, the Constitution, itself, has made it clear that new currency that it to be printed must be done in a different format. So, that is what has to happen before even any new tender can be issued. We must, first of all, approve, as a country, the new notes that will be in circulation.

Mr. Mungatana: On a point of order, Mr. Speaker, Sir. I am just a bit perturbed by the answer the Minister has given us on the question by Mr. Lessonet. That is because internationally---

Mr. Speaker: Order, Mr. Mungatana! You are standing on a point of order!

Mr. Mungatana: Mr. Speaker, Sir, is he in order to assert that, in fact, there is no current printing of currency in Kenya when we know, for a fact, that internationally, every year, the Central Bank must replace roughly about 10 per cent of used notes and currency? Is he in order to give the information that there is no printing going on?

Mr. Speaker: Fair enough!

Mr. Kenyatta: Mr. Speaker, Sir, as I said, the tender that was there has expired. There is no new tender that has been issued for the printing of currency. There will be no new tender that will be issued until after the review that I have just mentioned.

Mr. Midiwo: Mr. Speaker, Sir, let me thank the Deputy Prime Minister and Minister for Finance for saying that he will indulge the relevant Parliamentary Committee, if the Government was to get involved with De La Rue. But I want to tell him that, having been in the Finance Committee for nine years to be exact, we have proved that De La Rue as it were in Kenya is not capable of printing new currency notes. That is because of the machines that they have. They often contract that task to some country other than their local factory. What would be the viability or good reason for us to partner with a company that is contracting the printing of currency? Our new notes will not have portrait of anybody. In fact, there are questions now as to whether the currency we are using now is legal tender. What would be that wisdom? Could the Minister confirm if there is a local company which has been formed by some Kenyans to partner with De La Rue in that venture whose wisdom everybody is questioning?

Mr. Kenyatta: Mr. Speaker, Sir, once again, the question by the hon. Member for Gem is different. However, I want to state that it was a Cabinet decision to purchase shares in De La Rue Company. There were certain parameters that Cabinet set which are currently being discussed. The relevant committee in this case is the Committee on Finance, Planning and Trade. Once final Cabinet approval is obtained, we will have to revert to this Committee before that transaction can be concluded. Hence, all the issues that he is raising will be discussed before those negotiations are finalized.

Mr. Midiwo: On a point of order, Mr. Speaker, Sir. I would kindly ask you to ask the Minister to answer the part that reads “the wisdom of the Cabinet”. Could he tell the House and the country the wisdom or intention of this? This is the heart and the crux of this thing.

Mr. Kenyatta: Mr. Speaker, Sir, I am sorry to keep saying so, but that again is a different question because the Question is on the wisdom of the investment. The question that has been asked is about a tender for the printing of new currency, whether one has been issued or not.

Mr. Speaker: Very well. You are entitled to make that claim. At any rate Member for Gem, the Minister has undertaken that after the Cabinet approves this investment, it will be brought to the parliamentary committee that oversees this area. At that point, the committee can question the wisdom even of the Cabinet.

Ms. Karua: Mr. Speaker, Sir, I heard the Minister loud and clear that there is no current contract. However, the notes that are now in circulation must have been printed under a previous contract. Could he table that previous contract?

Mr. Kenyatta: Mr. Speaker, Sir, I can endeavor to do so.

Mr. Speaker: Very well. Member for Ikolomani!

Ms. Karua: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: I have called the Member for Ikolomani! The Minister has committed himself to endeavor to table it.

Dr. Khalwale: Mr. Speaker, Sir, before I ask my last question, allow me to table this letter, so that the Chair can study it and advise my Committee. This is the letter in which we were being told amongst other things and I quote:-

“As may be noted under Section 54 of the Central Bank of Kenya Act, Cap.491, the auditors of Central Bank of Kenya are appointed by the bank and approved by the Minister. Section 56 of the Act further provides that the Minister may, in addition to the audit carried out under Section 54, if he thinks fit require the Controller and Auditor-General to audit accounts of the bank. For that reason, in spite of the provisions of the Constitution the National Assembly has no authority.”

So, I would like the Chair to look at it and advise my Committee how we should proceed because we insist that we must know what happened to the US\$25 million that was paid as deposit which upon cancellation by Mr. Kimunya, nobody knows where the money went. Did they refund the money? If they refunded it, did they give it to Mr. Kimunya? If they did not give to Mr. Kimunya, did they give Prof. Ndung’u? If they did not give it to Prof. Ndung’u, did they take it to the Consolidated Bank?

(Dr. Khalwale laid the document on the Table)

Mr. Speaker: Order, Member for Ikolomani! When you throw in the name of Kimunya, are you referring to the hon. Member for Kipipiri or what is this “Kimunya” thing you are talking about?

Dr. Khalwale: Mr. Speaker, Sir, I am sorry to have not been clear. I meant the then Minister for Finance who was hon. Amos Kimunya. And by Prof. Ndung’u---

Mr. Speaker: That is much better. Have some decorum towards your colleagues in particular.

Dr. Khalwale: Thank you, Mr. Speaker, Sir. By Prof. Ndung’u I mean the current and who was the then Governor of the Central Bank of Kenya.

Mr. Speaker: Very well. Mr. Minister, would you like to respond to that question?

Mr. Kenyatta: Mr. Speaker, Sir, the only thing I can say is that I am more than ready to engage the Public Accounts Committee on this issue and to find an amicable way forward, so that we can get to the bottom of the issue.

Mr. Speaker: Very well. Member for Ikolomani and Chair of the Public Accounts Committee, you have a commitment there which you can follow up from your Committee. Mr. Minister---

(The Rt. Hon. Prime Minister was applauded as he entered the Chamber)

Ms. Karua: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Member for Gichugu! I am taking care of you!

Mr. Deputy Prime Minister and Minister for Finance, when will you table that previous contract? We will not go back to the Question, but you have undertaken to table the previous contract. When can you do so?

Mr. Kenyatta: Mr. Speaker, Sir, if I may, could I engage the hon. Questioner on this issue, so that I can also find out what the procedures are because I am not quite familiar with them. That is why I said "I will endeavor." Can I engage the hon. Questioner and ensure that I am tabling it at an appropriate time. I seek your indulgence.

Mr. Speaker: Very well. We will then do this, you can engage the hon. Member for Gichugu. There is nothing wrong with that. But we will place this Question on the Order Paper again a month hereafter, so that the House is updated on the progress made.

Mr. Kenyatta: Thank you, Mr. Speaker, Sir.

DETAILS OF GRENADE ATTACKS IN NAIROBI

Mrs. Shebesh: Mr. Speaker, Sir, I would like to apologise for coming late.

Mr. Speaker, Sir, I beg to ask the Minister of State for Provincial Administration and Internal Security the following Question by Private Notice.

(a) Could the Minister appraise the House on the particulars of the recent grenade attacks on civilians in different parts of Nairobi and provide an update of the progress of investigations into the incidents?

(b) Can the Minister confirm that the grenade attacks on civilians in different parts of Nairobi is related to the *Operation Linda Nchi* in Somalia?

(c) What measures has the Ministry instituted to enhance security and guarantee the safety of Kenyans, especially in Nairobi?

The Minister of State for Provincial Administration and Internal Security (Prof. Saitoti): Mr. Speaker, Sir, I beg to reply.

(a) On 24th October, 2011 at about 1.15 a.m. along Mfangano Street within Nairobi Central Business District an unknown person detonated a hand grenade at Mwaura's Bar injuring 12 persons. All these people who were injured were all taken to Kenyatta National Hospital for treatment.

Again on the same day at about 7.55 p.m. at Kaka Stage near OTC, an uncommon person threw and detonated a hand grenade which exploded in the midst of members of public waiting to board public service vehicles to different destinations. As a result of the explosion one person namely Patrick Musembi Nzuvi who was later identified through his fingerprints, died instantly while 13 persons sustained injuries and were taken to the Kenyatta National Hospital for treatment.

It was established later through fingerprints, that the late Musembi had been previously convicted with robbery with violence.

(b)Whereas investigations have not yet been completed into these grenade attacks in Nairobi, it is highly suspected that they could be linked to the ongoing *Operation Linda Nchi* in Somalia because mainly the *Al Shabaab* earlier issued threats that they will unleash terror on Kenyans unless the Government suspended the ongoing operation in Somalia.

(c)The following are some of the measures instituted by the Government:- The security of Government vital installations and buildings has been enhanced to forestall the attacks ---

(Messrs. Litoke and Mwau consulted loudly)

Mr. Speaker: Order, Member for Sigor! If you want to discuss with the Member for Kilome, you can actually withdraw to some space instead of you addressing a *baraza* in that corner!

The Minister of State for Provincial Administration and Internal Security (Prof. Saitoti): Mr. Speaker, Sir, major buildings in the city have been put under 24-hour security surveillance and the owners sensitized of the need to install extra security measures around the building to supplement efforts by the police. All major hotels, churches, shopping malls and other places of entertainment have been placed under security surveillance and owners sensitized to enhance security screening. The public has also been sensitized to be on high alert and report any suspicious person to security agents.

We have circulated hotline numbers which are the following: 0739697925, 0706240182 and 020 3556770 to supplement the normal emergency lines, namely, 911 and 112. Other measures put in place include erection of random roadblocks countrywide, conducting of random checks on all vehicles and persons to ensure suspected *Al Shabaab* adherents do not enter into the country. Security patrols and checks have been enhanced in Nairobi and other parts of the country.

On further details pertaining to *Operation Linda Nchi*, I wish to refer the Members to the Hon. Prime Minister's Statement issued in this House in camera on Wednesday, 19th October, 2011. On this note, I feel obliged to thank this House for the support it has given to the Government in its effort to defend Kenya's territorial integrity.

Mrs. Shebesh: Mr. Speaker, Sir, in part "b" of the answer, the Minister has said that investigations have not been completed. I wonder when police will ever complete investigations, especially at a time like this when we are dealing with emergency situations and grenade attacks which have affected 25 Kenyans in various places. When does the police plan to complete these investigations, so that they can know for sure who were behind the grenade attacks that affected the lives of 25 Kenyans?

Prof. Saitoti: Mr. Speaker, Sir, first of all, indeed, the police have not sat on its laurels as far as this matter is concerned. The main reason that investigations are being carried out is because as hon. Members are aware, on 25th October, 2011, police acting on information from the public, tracked and arrested one suspected member of *Al Qaeda* in Kayole Estate, namely, Mr. Elgiva Bwire Oliacha alias Seid Din alias Mohammed alias Jaffa and the following arms were recovered from his house: One AK 47 Rifle, 13 hand

grenades, two pistols, two revolvers, one sub-machine gun and 717 assorted types of ammunition.

Mr. Ethuro: On a point of order, Mr. Speaker, Sir. Although I would not like to interrupt my good friend, the Professor, the question asked by hon. Shebesh was why the investigations are taking long and not what was found where.

Mr. Speaker: Indeed, Prof. Saitoti!

Prof. Saitoti: Mr. Speaker, Sir, I sympathize with my good friend, hon. Ethuro, but the point of the matter is that there is some very important information here that is very much connected to the question that was asked. Given the gravity of this matter, it is important that I lay bare some of these facts because they are important. Apart from the weapons that were recovered, *Al Shabaab* training manuals and a packet of sweets were recovered.

Upon this recovery, further investigations were carried out by the police and this led to the arrest of a Mr. Omam Ochieng Athman alias Hussein alias Olima and Stephen Mwangi Macharia alias Jogoo. It is now a well known fact that the suspects were arraigned before our court *vide* the Central Police Station, CRO 112613/2011 and Mr. Bwire Oliacha entered a plea of guilty to all the nine counts and was sentenced to serve life imprisonment.

Mr. Speaker, Sir, however, the charges against the other two are still pending before the court. This is the crux of the matter. For the first time, the police have arrested a person, not only with weapons and documents relating to the activities of the *Al Shabaab*, but who has admitted that he was an *Al Shabaab*. I do not want to go into that because the matter is in court, but there are these two other people and although their case is pending in court, serious investigations are being carried out. This is something which we have to move quickly and conduct very thorough investigations because the issue we are dealing with is that of terrorism. We want to make sure that at least we get into enclave of this web of terrorists. I can assure this House that, indeed, this issue is being investigated, not only by the police but by combined investigative forces.

On the matters of terrorism and the *Al Shabaab*, we have brought all the security agencies to focus not only on the investigation, but also on the deterrence and ways of trying to deal a blow to these terrorist organizations.

Mr. Langat: Mr. Speaker, Sir, I want to thank the Minister for the answer he has given. However, since this operation started, when we move around towns in public and Government places, it is very clear that it is business as usual in those places. No serious security measures have been put in those places. Could the Minister tell us why it is business as usual in most Government premises?

Prof. Saitoti: Mr. Speaker, Sir, I am surprised by the statement made by the Member that no evident security precautions have been placed in public places. Both visible and invisible surveillance have been laid out. May I also remind the Members that in Parliament which is an important strategic place, every Member who goes through the gate including everybody else, are subjected to serious surveillance.

Mr. Kiuna: Mr. Speaker, Sir, while I appreciate the measures the Government is taking as stated by the Minister, what measures has the Government taken to sensitize and educate the public about any suspicious parcels, objects and persons among the communities? The public should be sensitized to report such parcels or persons to the relevant authority, so that the Government can take appropriate action.

Prof. Saitoti: Mr. Speaker, Sir, let me first of all say that, indeed, a great deal of sensitization has been carried out by all the security agencies through the media and public *barazas*. I want to say that further sensitization and education of the public will go on; it will be mounted properly, so that the people are also able to see and recognize something that would appear to be a dangerous weapon.

Mr. M.H. Ali: Mr. Speaker, Sir, could the Minister confirm whether attacks in Mandera in the past ten days where a District Education Officer (DEO), a chief and three civilians lost their lives could be linked to *Operation Linda Nchi* and the *Al Shabaab* attacks? Secondly, I have also just been told that El Wak Town was attacked last night, but I am not very sure if there were any casualties. Could the Minister confirm this, please?

Prof. Saitoti: Mr. Speaker, Sir, it is obviously clear that the attacks and killings of those officers in Mandera were actually undertaken by the *Al Shabaab*. I do not think there is any argument on that; on that score, the security agencies, which include our defence forces, are hunting down the *Al Shabaab* wherever they are.

On the information the hon. Member is talking about, it is true that there was attempted attack on a police post. I think it was near Dhobley. However, I want to say that, indeed, the *Al Shabaab* militias were dealt a blow. They were chased away and they may very well have gone away seriously injured; there was no single Kenyan officer who was injured.

Mrs. Shebesh: Mr. Speaker, Sir, while appreciating the work that the Government is doing, I recently watched a feature by one of the media houses showing a package placed at the Kencom Bus Stop and Kenyans were just passing by. It was a package that looked suspicious. Kenyans passed by it for over two hours and nobody looked at it. When the Minister says that he has carried out enough civic education and sensitization, can I put it to him that I do not think that, that has been done sufficiently. Could he inform the House what he is going to do to ensure that Kenyans understand how these kind of attacks are undertaken and what packages would be used to mount them?

Prof. Saitoti: Mr. Speaker, Sir, on the allegation that the Government has not carried out sufficient sensitization for people to be aware of dangerous weapons, I want to say that that is an opinion. I also want to stress the following: We are willing, and I am ready, to be supplied with as much information as possible, including even more information on other methods that we can use, but which are not in place. We welcome that because the issue we are dealing with today is not a question of a blown up exercise. Our country is grieved today and we are dealing with one of the most serious matters; as a nation, all of us should work together.

Dr. Nuh: On a point of order, Mr. Speaker, Sir. Is the Minister in order to mislead the House that hon. Shebesh has expressed an opinion when she has given the Minister evidence that there was a bag lying in the streets of Nairobi for close to four hours and monitored on the national television? Is he in order to say that, that was an opinion?

Mr. Speaker: Minister, that is a genuine challenge.

Prof. Saitoti: Mr. Speaker, Sir, I believe we have done as much as possible, and we are continuing to explore many other methods to ensure that we deal effectively with this evil called *Al Shabaab*. I will say the following, we are open to suggestions. We are open to pools of knowledge. We do not claim that we have monopoly of knowledge.

Mr. Speaker: Very well, Hon. Members, the balance of the Questions on the Order Paper are all deferred to Tuesday afternoon, at 2.30 p.m. next week. We want to move to the next Order because of the nature of business appearing on page 2951 of the Order Paper.

ORAL ANSWERS TO QUESTIONS

Question No.985

REVIEW OF DIRECTIVE ON HIRING OUT OF SCHOOL BUSES

(Question deferred)

Question No.1007

RECOGNITION OF MOMBASA/KISUMU AS CITIES

(Question deferred)

Question No.1072

STATUS OF ESP PROJECTS IN JUJA CONSTITUENCY

(Question deferred)

Question No.1205

CONGESTION IN KERUGOYA DISTRICT HOSPITAL

(Question deferred)

Question 1233

CONSTRUCTION OF BRIDGE ACROSS KIATINI (MUONI) RIVER

(Question deferred)

PERSONAL STATEMENT

DEMAND FOR APOLOGY FOR UNSAVOURY REMARKS
ON HON. (MRS.) MUGO BY MEMBERS

The Minister for Public Health and Sanitation (Mrs. Mugo): On a point of order, Mr. Speaker, Sir. I just want to inform the House that I was supposed to give a Ministerial Statement on aflatoxin. I understand that this morning there was a lot of name calling and allegations that I had run out instead of giving the Statement. I want to inform

this House that according to HANSARD, I am required to give that Statement this afternoon, as the Deputy Leader of Government Business had said. I was out of the country. In light of that, this House owes me an apology. Hon. Members said very bad things about me. I am a very responsible Minister! I have been at the forefront fighting aflatoxin and that is on record. For people to say that I do not care whether children or Kenyans die was cruel! So, I deserve an apology.

Secondly, I am ready to issue the Statement if you call upon me to do that.

Mr. Speaker: Very well. Hon. Mugo, I have heard your sentiments and I will acquaint myself with the HANSARD, and see what it says Members may have said about you, and I will give some directions tomorrow afternoon. Please, be present if you can and I will speak to the matter then.

POINTS OF ORDER

POLICY ON CIRCULATION OF WRITTEN ANSWERS TO MEMBERS

Mr. Kabogo: On a point of order, Mr. Speaker, Sir. A while ago I stood on a point of order and you asked me to be patient and wait for the Deputy Prime Minister and Minister for Finance. My point of order was not directly related to the answer he was going to give.

There was an issue this morning about when answers should be given, or availed to Members. I stand on Standing Order No.42(5) and (8), where written answers are supposed be circulated by the Clerk's office five days after they have been brought to the House. This Question was sent to the Ministry in June this year. So, five days would have been five days after that date; I think it should have been 27th of---

Mr. Speaker: Which Question are you referring to?

Mr. Kabogo: Question No.1072, which you have deferred.

So, I want guidance from the Chair on whether Standing Order 42 (5) and (8) can be implemented. We ask Questions to keep the Government in check and prompt it to do certain things. So, why does it take six or seven months when the Standing Orders are clear that five days after the Question has been sent, a written answer should be brought to the Clerk and circulated to hon. Members through the internet? So, I seek the indulgence of the Chair.

Mr. Speaker: Very well. We will deal with that. I think that pertains to policy and implementation of policy. So, I will want to speak to that matter also on Tuesday next week in the afternoon.

INVESTIGATIONS INTO PYRAMID SCHEMES

Mr. C. Kilonzo: On a point of order, Mr. Speaker, Sir. For the last six months a Question on pyramid schemes has been outstanding here. Three weeks ago, the Chair ruled that the new Attorney-General should come and respond in two weeks' time. Hon. Muigai undertook to do that, but it appears he got a "virus" from that office of some nature, because now he is also evading answering this Question on pyramid schemes. The Question was very simple: Why did the Government not investigate the owners of these pyramid schemes? So, as you make your ruling, could I know the fate of that Question?

Mr. Speaker: Fair enough! We will note to include communication on that question as well on Tuesday afternoon.

DISCREPANCIES IN REVENUE ACCOUNTS

Mr. Mbadi: On a point of order, Mr. Speaker, Sir. Equally, I had asked for a Ministerial Statement from the Deputy Prime Minister and Minister for Finance in April with regard to the discrepancies in revenue accounts. Actually, the Statement was supposed to be issued yesterday and he did indicate that he will do so today. You will agree with me that if our revenue accounts have discrepancies, this country has no way of knowing whether what is reported to us as having been collected is truly what is collected by the Government of Kenya.

Mr. Speaker: Your point is made! Mr. Deputy Prime Minister and Minister for Finance, you are here! Do you have the Statement? Are you able to deliver the Statement this afternoon so that, as much possible, we can accommodate whatever Statements are available this afternoon?

The Deputy Prime Minister and Minister for Finance (Mr. Kenyatta): Mr. Speaker, Sir, I beg your indulgence for tomorrow afternoon.

Mr. Speaker: It is so directed!

DELAYED STATEMENT ON KENYAN GIRLS DETAINED IN LEBANON

Mr. Kabogo: On a point of order, Mr. Speaker, Sir. On the same line, I did request a Ministerial Statement from the Minister for Foreign Affairs regarding two young girls who were detained in Lebanon. He was supposed to issue the Statement three weeks ago.

Mr. Speaker, Sir, I did follow up with the Assistant Minister this morning and his excuse was that the Ministry did not have money. That is because the Permanent Secretary and the Minister are not here and yet, all that the detained girls require is US\$5,000. Is it in order for the Minister to avoid bringing the Statement to this House? Could I request the Chair to order that those girls be paid for and repatriated home? This Government is spending a lot of money on foreign trips. The recent one was in Australia where over US\$2 million was spent and yet, they cannot pay US\$5,000 for girls who are detained in Lebanon. It is a shame!

Mr. Speaker: Order! Order! Member for Juja, your point is made. Mr. Assistant Minister, *prima facie*, of course, those allegations are so serious.

The Assistant Minister for Foreign Affairs (Mr. Onyonka): Mr. Speaker, Sir, I did not actually expect my colleague to discuss what we discussed in private for the simple reason that I was giving him information which would have helped us reach an amicable agreement. The girls have been taken away from where they were being detained and are now staying in the house of our honorary Consul, a Mr. Chaluhi, who lives in Lebanon. I explained to my colleague that the Kenyan Government does not have a policy of raising money to repatriate Kenyans who have either been found outside the country or are held out there. But the Ministry of Foreign Affairs has taken it upon itself

to take decisions on this issue. I said that because of the logistical issues, we do not have the Minister and the Permanent Secretary, who is the Accounting Officer around. We thought that we would wait until they come back by Wednesday and then a decision will be made.

Mr. Speaker: Will you, please, prepare to make a Statement to this House on Thursday afternoon?

The Assistant Minister for Foreign Affairs (Mr. Onyonka): I will, Mr. Speaker, Sir.

Mr. Speaker: Because, obviously, it is astounding even to me that you can leave detained Kenyan girls in Lebanon to suffer out there because there is a price of US\$5,000. Surely, you can get that from petty cash.

The Assistant Minister for Foreign Affairs (Mr. Onyonka): Mr. Speaker, Sir, at least, the Ministry of Foreign Affairs has removed the girls from where they were being detained and they are now staying in a house where the honorary consul---

Mr. Speaker: Order, Mr. Assistant Minister! What I am saying is that US\$5,000 is too small an amount of money for a whole Government.

The Assistant Minister for Foreign Affairs (Mr. Onyonka): Mr. Speaker, Sir, give it to me and I will bring them!

(Several hon. Members stood up in their places)

Mr. Speaker: Order! Order, hon. Members! I have directed that the Assistant Minister comes with a Statement, which I expect will be satisfactory, on Thursday afternoon at 2.30 p.m. Among other things, the Assistant Minister must take into account the sentiments that have been expressed from the Floor of the House both by the Member for Juja and the Speaker's position. Please, do so, Mr. Assistant Minister!

Mr. Keynan: On a point of order, Mr. Speaker, Sir. I want to remind the Assistant Minister for Foreign Affairs and the Ministry that, indeed, there is a Director of Diaspora at the Ministry of Foreign Affairs and all our missions have a diaspora desk. Unless he is saying that the Accounting Officer and the Minister are out of the country - which is one thing - but they have a budget. That is why we have a diaspora desk in all our missions. Therefore, it is incumbent upon our Government and, particularly, the Ministry of Foreign Affairs to take care of the welfare of those Kenyans who are out there. It is not an issue of money.

Mr. Speaker: Order! Order! That is fine. Mr. Assistant Minister, you need not respond to that.

Mr. Ethuro: On a point of order, Mr. Speaker, Sir. I also wanted the Assistant Minister to know that he is not doing those Kenyans a favour. The Government is under obligation by law, under the Human Trafficking Act, to take care and actually repatriate those Kenyans back to the country. Following your directive, I hope that, tomorrow, he will come with the air tickets for those Kenyans because we will come with the law ourselves.

Mr. Speaker: Order! Order! Mr. Assistant Minister, just relax.

Mr. Shakeel: On a point of order, Mr. Speaker, Sir. I heard the Assistant Minister, as he walked away, saying to you, Mr. Speaker: "Give me the money and I will pay." Is it in order for him to ask the Speaker to pay the money?

Mr. Speaker: Order! I did not hear the Assistant Minister use those words. At any rate, even if he said so, he will not have been asking hon. Marende to give him the money. He will have been asking the House, that is, Parliament, to give him the money. So, do not personalize some of these issues. It is Parliament which authorizes taxation, expenditure and approves the Budget. So, look at these matters in a broader perspective.

Mr. Bahari: On a point of order, Mr. Speaker, Sir. Is it in order for the Assistant Minister to mislead the House that because the Minister and the Permanent Secretary, who is the Accounting Officer, are not around, the Ministry cannot run yet, even if he went beyond that, those approvals can normally be obtained through an email?

Mr. Speaker: Order, hon. Members! I think we want to progress with other business. I have appealed to you many times that we use our time optimally. I have directed that the Assistant Minister brings a Statement next week on Thursday afternoon. We hope that all aspects will have been covered, including as much as possible, good news that those girls have travelled back to Kenya. We anticipate that.

(Mr. Kutuny stood up in his place)

Order! Order, Member for Cherangany! That matter must now rest there. We want to move on to the next Order.

Mr. Kutuny: Bw. Spika, jambo la nidhamu kuhusu swala tofauti.

Mr. Speaker: Kuhusu nini?

UPSURGE OF INSECURITY IN KITALE/ELDORET TOWNS

Mr. Kutuny: Bw. Spika, niliitisha Taarifa tarehe 22/2/2011 kutoka kwa Wizara ya Utawala wa Mikoa na Usalama wa Ndani. Taarifa hiyo ilihusu kukosekana kwa usalama katika miji miwili ya Kitale na Eldoret. Mpaka sasa, Taarifa haijafika Bungeni na usalama unaendelea kuzorota na Wakenya ambao hawana hatia wanapoteza maisha yao.

An hon. Member: Subira huvuta kheri!

Mr. Kutuny: Lakini vile vile, ngoja ngoja huumiza matumbo. Ningependa umshurutishe Waziri – na siyo kuomba wakati huu – awasilishe Taarifa hiyo. Mikahawa ilivamia tarehe 23/2/2011. Mkahawa mwingine ulivamiwa tarehe 2/1/2011. Tena, tarehe 10/4/2011 mkahawa mwingine ulivamiwa. Juzi, mkulima maarufu aliuwawa na majambazi. Sasa, tunataka Taarifa hiyo.

Mr. Speaker: Mheshimiwa Mbunge wa Cherangany, tumekusikia. Bwana Waziri, utaita Taarifa hiyo lini? Tangu mwezi wa pili, ni miezi minane iliopita.

(Laughter)

The Minister of State for Provincial Administration and Internal Security (Prof. Saitoti): Bwana Spika, mimi sina shida ya kuzungumza lugha ya Kiswahili!

Mr. Speaker: Endelea basi.

The Minister of State for Provincial Administration and Internal Security (Prof. Saitoti): Bwana Spika, ningependa kusema kwamba nasikitika kwamba tulikuwa tumekubaliana ya kwamba taarifa hiyo italetwa hapa Bungeni haraka iwezekanavyo,

lakini inaonekana kwamba pengine kulikuwa na shida kidogo hapa na pale. Ningependa, kwa ruhusa yako, kuomba niilete Taarifa hiyo Jumanne wiki ijayo.

(Mr. Kutuny stood up in his place)

Mr. Speaker: Sawa sawa, nimekubali. Mheshimiwa Mbunge wa Cherangany, ni sawa kama italetwa Jumanne ijayo. Kwa hivyo, hakuna haja ya kuzungumza juu ya taarifa hiyo tena. Afadhali, utulie kwa sababu italetwa wiki hiyo.

Hon. Members, we will now move to the next Order. However, before we do so, I wish to appeal to all hon. Members that when you come to attend various sittings, please, walk in through the front door which is the main door. We have certain reasons why we expect you to walk in through the main door rather than the side doors. You may use the side doors when you want to leave. But when you come in, use the front door.

PRIME MINISTER'S TIME

PRIME MINISTERIAL STATEMENT

KAZI KWA VIJANA I AND II

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, on 25th October, 2011, the Member for Saboti, hon. Eugene Wamalwa, sought a Statement from the Government on the *Kazi kwa Vijana* Project. The hon. Member specifically requested the following information:

(a) How much money has been allocated to the *Kazi kwa Vijana* from inception to date;

(b) how much money has been lost through alleged corruption with respect to *Kazi kwa Vijana*;

(c) who is responsible for the illicit loss of funds; and,

(d) whether the Prime Minister would be prepared under the circumstances, to take political responsibility.

Hon. Wamalwa canvassed the same issues in this House the following day; 26th October, and the hon. Speaker directed that a Government Statement be issued today.

The hon. Member for Konoin, Dr. Julius Kones also alluded to a report by the Controller and Auditor-General on the *Kazi kwa Vijana* Programme.

As noted in my Statement here last week, poverty in Kenya has a predominantly young face with one in every three poor Kenyans being a youth. This means that the youth have a higher than the national average poverty rate of 51 per cent. The youth suffer under unemployment and experience the highest rate of unemployment at 21 per cent down the national average and 38 per cent of our youth are neither in school nor in work.

Mr. Speaker, Sir, how to turn our young people into engines of growth is probably the greatest challenge of our time. As far as the *Kazi kwa Vijana* Programme is concerned, allow me to inform the House that this project is being implemented in two phases. The first phase of the *Kazi kwa Vijana* Programme began in March, 2009 and went on for just over a year. It must be clearly understood that this was an emergency

intervention to respond to the results of severe drought. Hon. Members will also remember that in 2008, we had a post-election crisis. There was also an international economic meltdown that affected the entire world. Other countries responded differently to the crisis.

In the US, President Obama responded with a US\$800 billion stimulus package. We do not have that kind of financial might. We responded in our own small way. The *Kazi kwa Vijana I* was a wholly Government of Kenya funded project. The jobs involved were short-term manual labour, for example, clearing clogged dams and water ways, building ponds, planting of trees and manual construction of roads, among others, to help ease the impact of drought. While the project was not without a hitch, overall, it was not a failure.

Mr. Speaker, Sir, the International Labour Organization (ILO) did their own independent assessment of the KKV I for the period through September 2009 at the request of the World Bank. Let me quote some of the findings of the ILO as reported in the project appraisal document of the World Bank.

“The KKV made commendable progress in youth employment creation by achieving 112 per cent of the planned target. By mid September, 2009, a total of 296,008 youth had been directly employed under the programme. The KKV appears to be a viable method of completing stalled projects or rehabilitating existing ones which require only small inputs of construction material and labour.”

The ILO recognized some problems in the implementation. It reported that erratic disbursement of funds coupled with low fund absorption capacity with some implementing agencies, in some cases, resulted in situations where funds were not put to the best use and implementing agency staffs were hassled into paying for work that was not prioritized and could not be validated. But overall, as can be seen by the positive assessment made by the ILO, the programme was successful and provided the basis for the World Bank to proceed to KKV II.

Mr. Speaker, Sir, allow me, at this stage, to table the World Bank’s Project Appraisal Document dated 3rd March, 2010.

(Mr. Raila laid the document on the Table)

It is as a result of the appraisal of Phase I of KKV that the World Bank decided that it would get involved in the Kenya Youth Empowerment Programme or KKV II. As I have said, and as I now emphasize, KKV I was an emergency stimulus intervention designed to provide a social safety landing net to avert Kenyans from the risk of hunger and starvation. The programme was implemented by six Ministries; namely, Ministry of Roads, Ministry of Environment and Mineral Resources, Ministry of Water and Irrigation, Ministry of Forestry and Wildlife, Ministry of Regional Development Authorities, Ministry of Youth Affairs and Sports and the Office of the Deputy Prime Minister and Ministry of Local Government.

Mr. Speaker, Sir, the Office of the Prime Minister provided the overall supervision of the programme while the Office of the President, the Office of the Deputy Prime Minister and Ministry of Finance and the Ministry of Planning, National Development and Vision 2030 provided support services on monitoring and coordination aspects. As the ILO pointed out, the number of youth engaged under the KKV I exceeded

the original target of 10 per cent. All in all, the Government contributed Kshs2.8 billion to KKV I in the Financial Year, 2008/2009 and Kshs4.3 billion in the Financial Year, 2009/2010. Sixty eight per cent of the funding was paid out to the youth as wages while 21 per cent was used to purchase tools, equipment and seedlings, among other things, and 11 per cent covered administrative costs.

However, being a project that was conceived in a hurry in order to respond to the urgent needs of the time, certain weaknesses became apparent, which prompted my office to ask for an audit of the entire project. A value for money audit of the KKV1 was carried out by the Internal Audit Department of the Office of the Deputy Prime Minister and Minister for Finance. Dated July, 2010, the audit report indicated that during the financial years 2008/2009 and 2009/2010, a total of Kshs7.5 billion was disbursed to 11 Ministries for projects under KKV1 on a first-come, first-served basis. Of this amount, Kshs308,116,547, being 4.08 per cent of the total disbursement, was confirmed by the audit to be ineligible expenditure. The various categories of the ineligible expenditures were: Kshs85,022,079 not related to the objectives of KKV; Kshs110,249,125 was without supporting documents; Kshs22,040,918 had integrity issues such as fraudulently altered entries; Kshs26,352,120 was expenditure on normal recurrent ministerial operations; then Kshs64,352,308 was expenditure on activities whose procurement was not competitive.

Mr. Speaker, Sir, I table the value for money audit Report.

(Mr. Raila laid the document on the Table)

Mr. Speaker, Sir, I emphasize that the expenditures considered ineligible amounted to 4.08 per cent of total disbursements. Of this 4.08 per cent, the part with integrity or procurement issues amounted to Kshs107,026,997; that is 1.35 per cent of the total disbursement. Those were the expenditures with integrity issues. These expenditures were incurred by the implementing Ministries. I repeat that these expenditures were incurred by the implementing line Ministries. The audit raised no queries touching on the Office of the Prime Minister in regard to the project.

(Applause)

Mr. Speaker, Sir, the Treasury directed the various Ministries to initiate appropriate action to recover expenditure with accountability and integrity issues as listed in the value for money audit report. My office concurred with the Treasury, and further suggested that the Treasury issue a circular on these issues to the Ministries concerned. I table here a copy of a letter from the Permanent Secretary, Treasury, under Reference MOF/IAG/KKV30 dated 8th November, 2010, and a letter from the Permanent Secretary, Office of the Prime Minister.

(Mr. Raila laid the documents on the Table)

Mr. Speaker, Sir, the letter from the Permanent Secretary, Treasury, reads as follows:

“I forward herewith a copy of the above audit report for your review and further necessary action. The report highlights the following risks and financial management challenges as impacting on the implementation of the KKV Programme:

Poor accountability of KKV funds as demonstrated by reported cases of ineligible expenditures totaling to Kshs308,035,548.05 as analyzed in Schedule 1 attached. The above ineligible expenditure include Kshs110,249,123 and Kshs22,040,918.10, classified expenditures with accountability and integrity issues respectively.”

Then it goes on to say:

“Going forward, you are requested to review the audit findings and recommendations in the report with a view to ensuring that the risks and financial management challenges highlighted therein are comprehensively addressed.”

But it also says:

“In this regard, you are advised to initiate appropriate action to recover expenditures with accountability and integrity issues from the officers concerned.”

My Permanent Secretary, Mr. Speaker, Sir, wrote and said:

“We concur that where there is accountability issues, the concerned officer should be made to account and the funds returned to the Government. We would like to have the audit responses from all the Ministries covered under the audit, and the actions taken by the Permanent Secretaries.”

In conclusion, Mr. Speaker, Sir, the highlights of the report cover various financial management challenges. These involve a cross section of players from budgeting, disbursement to implementation and accountability. It is necessary for the players to take their role in the project more seriously. As a key player in the national committee, it is recommended that a circular on these key financial challenges be issued as a reminder to all in the implementation of the Government programmes besides KKV and KYEP.

Mr. Speaker, Sir, the lessons learnt from KKV1 have helped to shape the formulation of KKV2. With the benefit of adequate time for preparation, together with expert advice from the World Bank (WB) and the International Labor Organization (ILO), the Government has rolled out KKV2 with a much stronger governance structure. The project has been expanded to target youth who have completed tertiary level education and vocational skills. KKV2, also known as Youth Empowerment Project, is supported by credit from the World Bank to the tune of US\$60 million. It has three components; one, labour intensive works funded at US\$43 million and implemented directly by line Ministries. Two, private sector internships and training funded at US\$15.5 million and implemented by the Kenya Private Sector Alliance (KEPSA). Three, capacity building and policy development funded at US\$1.5 million and implemented by the Ministry of Youth Affairs and Sports. The Office of the Prime Minister provides co-ordination, oversight, monitoring and evaluation services to the project under a grant of US\$400,000 from the WB. The Office of the Prime Minister has only US\$400,000 out of the US\$60 million.

Mr. Speaker, Sir, I am pleased to report to you that the World Bank has completed its financial management review. In forwarding the results of the review, the World Bank wrote to the Government on October 31st, 2011 emphasizing that the article in the *Sunday Nation* newspaper under the headline “*Kazi kwa Vijana – PM Office on the Spot*”, was based on a working draft not even a preliminary paper and that the phrase ineligible

expenditures meant only that those expenditures were not to be paid with the World Bank funds. The World Bank has acknowledged that the working draft on which the *Sunday Nation* newspaper article was based appears to have been leaked by the Bank staff.

This is what the Bank has said:-

It is addressed to my Permanent Secretary, Dr. Mohammed Isahakia and it is Financial Management Review of the Kenya Youth Empowerment Project.

“I write in response to your letter of October 26th 2011 requesting clarification of the results of the Financial Management Review that the World Bank was undertaking of the Kenya Youth Empowerment Projects. This review inadvertently came to the attention of the public on October 23rd when the *Sunday Nation* on the basis of what appears to have been a leaked World Bank working document stated that KYEP expenditures totaling Kshs33,061,925 maybe ineligible for World Bank financing.

As you know, the Financial Management Review in question aims to determine whether the project team had charged the World Bank Project Account or, in fact, eligible for World Bank financing. Such financing can only be used to pay expenditures that accord with the provisions of the Project Financing Agreement. The expenditures that do not accord with those provisions are ineligible for World Bank financing. More particularly, ineligibility may result when financing is not used for the intended purpose of the project as defined in the Financing Agreement or does not comply with the World Bank policies and procedures or is not adequately supported by documentation.

The leaked World Bank document was a working draft that recorded preliminary understanding in an iterative review process that was not yet complete hence the picture that was presented was also incomplete.

In light of the *Sunday Nation* article, we have accelerated our efforts to complete the review process and clarify the status of the expenditure listed in the leaked document.

Our further review of those expenditures shows that Kshs20,623,600 was not eligible for World Bank financing because the expenditures either were not in the agreed procurement plan or were not related to an agreed project activity or were for payment to supplement the salary of a Government employee, a type of payment that was not allowed under the World Bank guidelines.

The review also found that the expenditures totaling Kshs1,350,266 were eligible for World Bank financing but expenditure totaling Kshs5,577,564.45 were erroneously posted to the World Bank Project Account and subsequently, correctly reposted to the Government account and that expenditures of Kshs5,510,495 were wrongly recorded in the working draft. Annexed matrix provides further details of the ineligible expenditures.

The World Bank regrets the fact that an internal working document was shared with a member of the media without authorization. Such behavior on the part of a World Bank staff member may be contrary to the World Bank’s staff rules. The World Bank takes its staff rules seriously and we have already initiated an internal review to determine what occurred in this instance and whether disciplinary action is warranted.

Sincerely,
Johannes Zatt,
County Director, Kenya – Africa Region.”

Mr. Speaker, Sir, I table this as well.

(Mr. Raila laid the document on the Table)

Mr. Speaker, Sir, the World Bank has informed the Government that they had initiated internal review to determine what had occurred in this incident and whether disciplinary action should be taken.

Last week, it was reported here that there were 14 items which were being queried by the Bank. Those 14 items have now been reduced to five. Those five are also here. Two of them are basically publicity contracts to publicize the projects. The Bank says that the payment is ineligible as it was not in the procurement plan approved by the World Bank as required by World Bank Procurement Procedures. It was confirmed that the contract award was in order. In other words, the contract award was in order except that it should not have been paid using the World Bank funding. It should have been paid using the Government of Kenya counterpart funds.

Mr. Speaker, Sir, the second one is the same thing and they say the relevant documentation was subsequently provided to the Bank.

The third one was called parallel media which is also about publicity. They say that original documentation was provided to the Bank.

Only the fourth one which has to do with a staff, Mrs. Rachel Gesami, is where they say payment is ineligible as the Bank policy does not allow payments or top up to Government employees.

The fifth one has to do with a conference for the youth which was supposed to have been held in Nairobi but was cancelled at the last minute. They say that Kshs900,000 was used for that purpose. They said this activity was ineligible as it was not an agreed activity to be financed from the project. It was confirmed that the event was cancelled the last minute.

Mr. Speaker, Sir, that, therefore, accounts for the Kshs20,623,600. The Bank has explained what they mean with ineligible expenditure and what they mean with questionable expenditure. There was no single questionable expenditure in this project. I basically wish to confirm that this letter clearly confirms that there was not a single cent of this money from the Bank that was misappropriated.

(Applause)

A payment of Kshs1,222,000 was made, as I have already mentioned, as top up allowance to a civil servant in active service and on Government payroll. This occurred as the officer concerned was in transition from the Civil Service to the Project Coordinator. The funds will be recovered from the officer concerned as appropriate to avoid double payment.

Mr. Speaker, Sir, I have been asked by Members of Parliament to take political responsibility. I wish to stress that the World Bank review makes no findings that the funds in question were lost or stolen. His findings are that the relevant expenditures should not have been paid out of the World Bank project funds. There is nowhere in his Press Statement dated 24th October, 2011, or in the documents that I have tabled today that the World Bank states that it found fraud or corruption in the project.

You may also be aware that when the World Bank finds suspected fraud or corruption in its work, it does not hesitate to say so. From the foregoing, it is crystal clear that those Members of Parliament had no basis for raising this issue in the first place. It has been alleged that Kshs4.3 billion, or US\$43 million, for Component One of the KKV II – Kenya Youth Empowerment Programme – was lost because the project was cancelled. The Kshs4.3 billion has not been lost. The programme will be restructured to re-orient the Kshs4.3 billion to other activities for youth empowerment.

Mr. Speaker, Sir, the project is alive and will continue to be implemented. We shall correct any weaknesses that might remain, and we will move resolutely forward with our plans to empower young Kenyans. In fact, as Kenyans, we should also be proud that the KKV programme is now being replicated in nine African countries. Let me end with a quote from John F. Kennedy, who once said: “A man does what he must — in spite of personal consequences, in spite of obstacles and dangers, and pressures — and that is the basis of all human morality.”

Thank you, Mr. Speaker, Sir.

(Applause)

Mr. Speaker: Order, hon. Members! I have looked at the various documents tabled by the Rt. Hon. Prime Minister as he canvassed this Statement and I find that all the five documents are admissible. They meet the criteria that we have set as a House. They are authenticated. They have dates and all those details.

We will want to take requests for clarification beginning with the hon. Member who originated the Statement.

Mr. Wamalwa: Mr. Speaker, Sir, I want to thank the Rt. Hon. Prime Minister for being here to respond to this matter of great national concern, particularly to the young people of this country.

In my request, I was very specific. We were looking not just at the Second Component but the entire programme, beginning with the first phase. What we wanted to know is exactly how it has worked from inception to date. We are also asking how much has been lost, not just in the Second Component but from inception. I say so because this is not the first time this matter has come before this House. The matter came before this House way back on 25th November, 2009. The Prime Minister made a Statement in this House on the KKV programme. It was titled “The Way Forward”.

Mr. Speaker, Sir, looking at the HANSARD record of that day, it was very clear at that time. The Prime Minister said then:-

“---As a result, we have encountered several administrative weaknesses. Members of Parliament and other community leaders were not involved. Monitoring was insufficient and, therefore, there were reported cases of misuse.”

The Prime Minister went on to say:-

“I do not wish to minimise the importance of those weaknesses. I have accepted them as teething problems. That has been a learning process, and I have directed the staff in my office and other Ministries to take measures to correct the shortcomings and to go forward in the coming phase.”

Mr. Speaker, Sir, when you look at the Prime Minister’s Statement at that time, there was clear admission that, without improved monitoring and control measures at that

time, funds had been lost. I remember putting this question to the Prime Minister at that time. I am referring to page 4065 of the HANSARD, which is partly the record of this House's proceedings of that day. I told the Prime Minister then:-

"I am glad that the Government has realised the weaknesses in the KKV Programme, particularly lack of involvement of the local leadership, the area Members of Parliament, councillors and other grassroots leaders to cure these weakness. Could the Prime Minister consider channelling these funds through the CDF structures, where we have Members of Parliament and other leaders, for purposes of transparency and accountability?"

That was the proposal that many hon. Members agreed with going by the record of the proceedings of that day. My question then was: "How much was lost?" and the Prime Minister replied:-

"Mr. Njuguna wanted to know how much was misappropriated, and I do not want to talk about this – about how much was misappropriated at the time. I have said that there was overspending in procurement. This is a subject of investigations. So, I am unable to say how much was misappropriated."

Mr. Speaker, Sir, this is the same question we are putting to the Prime Minister today. The prime Minister has said that nothing was lost. At that time, in November, he admitted that funds had been lost. So, I am saying, as we go forward, that was in 2009. This is today.

Mr. Mbadi: On a point of order, Mr. Speaker, Sir. Is it in order for the hon. Member to mislead this House that the Prime Minister has not addressed the question he is addressed, yet the Prime Minister has even talked about 1.3 per cent of KKV I having been questioned? So, is it in order for the hon. Member not to be attentive and then ask the Prime Minister the same question that the Prime Minister has addressed?

Mr. Speaker: Proceed, Member for Saboti! I do not find much substance in that one.

Mr. Wamalwa: Mr. Speaker, Sir, I urge my colleague, being a young leader in this country, to appreciate that this is a matter of concern to many young Kenyans who are watching him. We really want to know how much was lost. This was in 2009. The Office of the Prime Minister, in a letter dated 11th October, 2011, which was tabled here by the Deputy Prime Minister and Minister for Local Government on 26th October, 2011, said, in paragraph two, that the Office of the Prime Minister has concerns that the component does not have adequate controls, meaning that from 2009 to 2011, still, controls had not been put in place to ensure that the weaknesses that existed then, through which public funds meant for the young people of this country were being siphoned. Those weaknesses had not been controlled by the time this letter was being written. The next paragraph of that same letter reads:-

"We are saying in that regard---"

The Assistant Minister for Foreign Affairs (Mr. Onyonka): On a point of order, Mr. Speaker, Sir. Yesterday, you made a ruling in which you said that there were certain letters which were inadmissible. We would like to know the letter that hon. Wamalwa is reading. I want him to say what it is, and I want you to look at it and see whether it is admissible in this House.

Mr. Speaker: Fair challenge! The Member for Saboti has to respond to the point of order by the Assistant Minister.

Mr. Wamalwa: Mr. Speaker, Sir, I am referring to the letter which was tabled by the Deputy Prime Minister and Minister for Local Government, dated 11th October, 2011, which was admitted. I wish hon. Members were attentive to your ruling yesterday. There were two particular documents that you dealt with yesterday. The letter of 11th October is not one of them.

Mr. Speaker, Sir, the Prime Minister, in his Statement, has not denied that his Permanent Secretary did write this letter. It was tabled here and it is before this House.

So, what we are saying is that from 2009 when we raised these issues before this House up to 2011---

The Minister of State for Immigration and Registration of Persons (Mr. Kajwang): On a point of order, Mr. Speaker, Sir. Just a small matter. Mr. Wamalwa has said that we were not caring how the money was being siphoned. That is a new word that has come out of his speech that has not been properly grounded on any foundation. Could he explain the meaning of the word "siphoning"?

Mr. Speaker: Proceed, Member for Saboti! The Member for Mbita is a bit lost by your use of certain words. Maybe you can help him to come up.

Mr. Wamalwa: Mr. Speaker, Sir, maybe to help him, from what the Prime Minister said before the House, obviously some money was misappropriated. That means money meant for the young people of this country was not used for its intended purposes. We are saying *Kazi kwa vijana lakini pesa kwa wazee*. This money went to some *wazees* in the Prime Minister's Office instead of the young people of this country.

Mr. Namwamba: On a point of order, Mr. Speaker, Sir!

Mr. Speaker: What is it, Member for Budalangi?

Mr. Namwamba: Mr. Speaker, Sir, let me, first of all, agree with the hon. Member for Saboti that this is a very serious matter. It is a matter of grave concern to the young people of this country. It is a matter which this House must treat with the seriousness it deserves.

Mr. Speaker, Sir, is the hon. Member in order, after setting such high standards of the manner in which we should deal with this matter, to completely ignore the very comprehensive information that has already been provided, including the fact that in July, 2001, there was a value for money audit, that provided details on all the issues he is attempting to raise. This is on the record of the HANSARD because I was taking notes; including that that value for money audit undertaken by the Treasury on the express and specific request by the Prime Minister did find that 4.08 per cent of the entire expenditure for KKV I was ranked as ineligible expenditure out of which 1.8 per cent had integrity issues.

These are specific details on KKV I and KKV II provided by the hon. Prime Minister. He is also aware that two audit reports from the Office of the Controller and Auditor-General, one dated 30th June, 2009, and the other 30th June, 2010 are clear in their analysis that responsibility for those funds lies with the responsible Ministry. I, therefore, invite you to determine whether it is in order for the Member for Saboti to perpetuate the habit of hon. Members using this Floor to peddle falsehoods for cheap publicity and to achieve short-term political ends? Is the hon. Member for Saboti in order?

Mr. Speaker: Order! Member for Budalangi, you have made a challenge which will appear to be genuine and in good faith except the words that you have put in that

hon. Members use this House “to peddle cheap falsehoods.” I do not see that you have a basis to say that. So, you must withdraw those words. The challenge is fair, but the words that you attributed to the Member for Saboti or any other Member of the House, if you do not have a basis for it, I am afraid you must withdraw them.

Mr. Namwamba: Mr. Speaker, Sir, with due respect, I do not believe that it is perfectly in order for hon. Members to appear in funerals and public rallies and make all sorts of inflammatory, biased and baseless statements. But---

Mr. Speaker: Order, Member for Budalangi! I just want you to be relevant. Go back to where you were in this House. Find the context at which you put the words “cheap falsehoods”. In my view, they are misplaced. So, you must withdraw them. What you do at funerals is not the business of the Speaker. What you do here is my business.

Mr. Namwamba: Mr. Speaker, Sir, with due respect, I withdraw that phrase. I also plead with the Chair to consider the words used by the hon. Member for Saboti like “*Kazi kwa vijana, pesa kwa wazee*, siphoned and eaten by the Office of the Prime Minister.” In the absence of any substantiation, is the Member for Saboti not guilty of a worse transgression? Is he in order?

Mr. Speaker: Order! Member for Budalangi, in fact, that will have been a very fair challenge. When the Member for Saboti uttered those words, I would have expected you; a seasoned legislator, to stand on a point of order and challenge the usage of those words rather than doing it belatedly after you have been challenged.

Mr. Namwamba: Mr. Speaker, Sir, the reason why I rose on my feet respectfully and even did acknowledge the fact that he stated correctly that this is a matter to be treated with seriousness is exactly because of the words he had used to demean the character and the stature of this House. He is playing politics with a matter that requires us to demonstrate leadership. Whether or not, the Member belongs to G7, that should not be the point.

Mr. Speaker: Member for Saboti, you have a challenge there on the accuracy of some of the things that you have stated.

(Mr. Raila stood up in his place)

Order, Right hon. Prime Minister! Please, allow the Member for Saboti to respond to that part where he is challenged as to the accuracy of some of the assertions that he has made. Then I will take that point of order, Right hon. Prime Minister.

Mr. Wamalwa: Mr. Speaker, Sir, if my learned friend, Namwamba, was patient enough, probably he would have got what I was saying because he will have a chance. I can see he has a lot of documentation on this. But I do not take kindly to what he has talked about practicing cheap politics. We do not. I know that my learned friend---

Mr. Speaker: Order, Member for Saboti! I have already dealt with that. I want you to address yourself to what he has challenged you. I think inaccurate, as having no basis. The Standing Orders provide that you are responsible for the accuracy of what you say in this House.

Mr. Wamalwa: Mr. Speaker, Sir, I was going to respond to that but it is just that my learned friend---

Mr. Speaker: Could you respond to that then?

Mr. Wamalwa: My learned friend has not withdrawn the offensive remarks of “cheap politics” and apologized.

Mr. Speaker: He has!

Mr. Wamalwa: Mr. Speaker, Sir, I wish to move on and I will take that in my stride.

The Assistant Minister for Youth Affairs and Sports (Mr. Kabando wa Kabando): On a point of order, Mr. Speaker, Sir!

Mr. Speaker: The Member for Saboti has caught my eye to respond to a point of order.

The Assistant Minister for Youth Affairs and Sports (Mr. Kabando wa Kabando): Mr. Speaker, Sir, this is a very serious---

Mr. Speaker: Order, Member for Mukurweini!

The Assistant Minister for Youth Affairs and Sports (Mr. Kabando wa Kabando): Mr. Speaker, Sir, this is very important and it will constitute clarity in procedure.

Mr. Speaker: Hon. Kabando wa Kabando, that is not how we do business here. You just catch my eye and I call you, then you have the Floor. Before I do that, you do not have the Floor. Please, be careful. Do not persist with that habit because then, I will impose sanctions immediately and it will not be good for you, nor your constituents nor Kenyans.

Proceed, Member for Saboti!

Mr. Wamalwa: Mr. Speaker, Sir, I was referring to the letter of 11th October and I will quote:-

“In that regard, the Office of the Prime Minister, after consultation with the World Bank would like to request the Treasury to cancel this component of Kshs4.3 billion that should have gone to the youth of this country”.

They are also asking that after this money has been returned to the Treasury, the World Bank and the Office of the Prime Minister intends to refund all the World Bank financing as well as the credit and associated grant. The Office of the Prime Minister will work with the implementing line Ministries and the Treasury to enable a repayment of this as soon as possible.

Mr. Speaker, Sir, there is no denial that there has been some loss. There is no denial that there was lack of controls. There is no denial that because these weaknesses noticed by this House way back in 2009 and having asked the Prime Minister as the one in charge of the KKV--- In fact, I looked at the operation manual and it is signed by the Right Hon. Prime Minister, Chairman KKV National Steering Committee. He himself has told the House that the role of the Office of the Prime Minister in KKV was co-ordination, oversight, monitoring, policy and, in fact, it was the implementing agent. Therefore, the issue of putting controls, the necessary regulations and policy lay squarely in his hands. In the circumstances, it is clear that we are returning Kshs4.3 billion to the World Bank that the young people of this country could have utilized.

Mr. Ruto: On a point of information, Mr. Speaker, Sir.

Mr. Wamalwa: Mr. Speaker, Sir, may I be informed?

Mr. Speaker: Hon. Ruto, you want to inform who?

Mr. Ruto: The Member of Parliament.

Mr. Speaker: Do you want that information?

Mr. Wamalwa: Mr. Speaker, Sir, I accept.

Mr. Ruto: Mr. Speaker, Sir, I would like to inform the Member that on the HANSARD that he quoted, the Prime Minister not only accepted and understood the shortcomings that were there at that time, but he also undertook and I want to quote. He said that:-

“In the coming phase of KKV, there will be full community sensitization and participation of the Members of Parliament and other local leadership in the design and implementation of the KKV Programme at the local level. We will integrate the KKV with the Economic Stimulus”.

Maybe the Member needs to further ask the Prime Minister to confirm whether he has involved the Members of Parliament. We can all confirm that he misled the House at that stage. Could he take political responsibility?

(Laughter)

Mr. Speaker: Order! Member for Chepalungu, when you supply information, you do not then conclude by making your own request. So, let it rest there.

Right Hon. Prime Minister, would you like to respond to the issues raised by the Member for Saboti? Hon. Members, the rest of us will be restricted to one request per Member. We have done this previously and because of the quantum of interest in this matter, we want to allow as many of you an opportunity to interact with the Prime Minister. That is what we will do.

The Assistant Minister for Youth Affairs and Sports (Mr. Kabando wa Kabando): On a point of order, Mr. Speaker, Sir. With a lot of respect and humility and as the Assistant Minister for the line Ministry; the Ministry of Youth Affairs and Sports in this country, I rise on a point of order with seriousness and a lot of worry because of what appears to be dilution on a very important issue.

The Right Hon. Prime Minister is answering to specific issues asked by the Members of Parliament concerning the *Kazi Kwa Vijana* Programme. On record, you will see about 11 Statements including answers to Questions on this matter directed specifically to my Ministry, seven of which I have answered. Is it really in order for a Member of the Back Bench, who does not have any responsibility on the Executive, to rise and purport to interrogate another Backbencher, who is interrogating the Right Hon. Prime Minister?

We respect you very much and our constituents know that we respect you, but honour and dignity for this House obliges that we rein in on sycophancy that is derailing a very important issue.

(Several hon. Members stood up in their places)

The sycophants are known and they are standing up!

Mr. Mbadi: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Member for Gwassi! Member for Mukurweini, you stood on a point of order and I think you were challenging what the Member for Budalangi had said in his point of order addressed to the Member for Saboti, which will be fine, but only up to the point where you begin to talk about sycophancy. Members of Parliament, your

colleagues, cannot be said to be sycophants. So you must withdraw the word 'sycophants' and the words that 'the sycophants are known'. You must respect your colleagues. Withdraw those words.

The Assistant Minister for Youth Affairs and Sports (Mr. Kabando wa Kabando): Mr. Speaker, Sir, I can never defy you. You are a man I respect. I hereby withdraw the word 'sycophancy' and replace it with the words 'individuals who are exceedingly and excessively loyal to the point of being blind'.

The Assistant Minister for Housing (Bishop Wanjiru): On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, Bishop! I will want the Right Hon. Prime Minister to respond to the issues raised by the Member for Saboti and then we will take the next one.

Mr. G. Nyamweya: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order, hon. George Nyamweya! We must have some decorum now at this point. Please, try and calm your nerves. I know this matter is hot. It attracts a lot of passion. You have so much interest in it, but please, we will hear as many of you as we can, including the Member for Ndaragwa. Just hold your horse.

Mr. G. Nyamweya: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Hon. George Nyamweya, you are persisting and you are, in fact, a man who is supposed to be able to interpret procedure and statutes. I hope it will be a valid point of order.

Mr. G. Nyamweya: On a point of order, Mr. Speaker, Sir. At the point where excitement arose, the Member for Saboti sat down to accept a point of information. I would have thought that he would have been allowed to continue from where he left before the point of information.

Mr. Speaker: Order! Hon. George Nyamweya, I accept that. In fact, that may be a genuine intervention except that the Speaker when presiding over business of the House, enjoys that prerogative of determining when a point of order is ended, has been made and when it seems to be overflowing. I have determined that the point of order raised by the Member for Saboti has served its purpose. It is complete for the Prime Minister to respond.

Please, respond!

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, I wish the hon. Member for Saboti listened carefully; I can see that he is not even listening now, yet he is the one who has questioned me. If he cared to listen, the issues he is raising are actually already in the statement I issued here. I want to quote:

“However, being a project that was conceived in a hurry in order to respond to the urgent needs of the time, certain weaknesses became apparent which prompted my office to ask for an audit of the entire project. The value for money audit of KKV1 was carried out by the Internal Audit Department of the Office of the Deputy Prime Minister and Minister for Finance. The audit report indicated that during the 2008/2009 and 2009/2010 financial years, a total of Kshs7.5 billion was disbursed to 11 Ministries for projects under KKV 1 on a first-come-first served basis. Out of this amount, Kshs308 million, being 4.08 per cent of the total disbursements, was confirmed by the audit to be ineligible expenditure. Various categories of ineligible expenditures were---“

I stated all of them in the Statement.

“Other expenditures considered ineligible amounting to 4.08 per cent. Of this 4.08 per cent, those with integrity or procurement issues amounted to Kshs107,026,997; that is, 1.35 per cent of the total disbursement. These expenditures were incurred by the implementing line Ministries. The audit raised no queries touching on the Office of the Prime Minister with regard to the project.”

Mr. Speaker, Sir, the hon. Member is saying that I should take responsibility. The work of the Office of the Prime Minister is to supervise and co-ordinate. The line Ministries have got Accounting Officers. That is why when the Budget is approved by this House, the line Ministries implement it. They are responsible and accountable, and that is why they have got Accounting Officers. That is why the Treasury wrote and suggested that money be recovered. My office concurred with the Treasury and I have tabled a letter.

Dr. Khalwale: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order! Please, allow the Prime Minister to finish. He is just about to do so.

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, I have tabled a letter to the effect that we demanded that the officers who were somehow responsible for loss of funds be made to repay the money that had been lost. So, I have been very comprehensive. At that time, we carried out an audit. The audit overtook whatever I had stated here. Even in the Statement the hon. Member for Saboti is referring to, I admitted that there were weaknesses and that was the reason why we demanded that an audit be carried out.

Mr. Speaker, Sir, so, the Prime Minister cannot be answerable for all the things that are happening in other Ministries. That is why I have asked Ministers to take responsibility.

Mr. Speaker, Sir, regarding the letter written by the Office of the Prime Minister, I thought that matter was dealt with last week, but it would now appear as if it was not comprehensively explained. So, let me now take this opportunity to explain the content of that letter. Would you allow me to explain?

Mr. Ruto: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Proceed to explain. Order, hon. Ruto! This matter is obviously very weighty, but we just want to handle it properly, so that we get some output and find a way forward one way or the other.

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, it is important that the House and the country get proper information.

So, having had experience of the first phase, it was proposed that we again have this project being implemented by various Ministries. My office had some concerns which we discussed with the World Bank, and it was suggested that instead of disbursing this money through different line Ministries, it should be consolidated into one account of one Ministry. We suggested the Ministry of Youth Affairs and Sports. I had discussion with the Minister concerned who agreed with me.

We channeled this money, first, to the projects which were being implemented by youths in different parts of the country. It was also used as a social safety net, targeting the urban youths who suffer from poverty. So, we are providing food to a number of our people in different parts of this country. At the moment, we have got four million people who are on regular supply of food throughout the country. We have never addressed the

issue of urban poverty and we discussed this matter with the World Bank; an agreement was reached that part of it would target youths in urban areas and also youths in the rural areas.

Mr. Speaker, Sir, because the project had been originally designed to be implemented by different Ministries, the World Bank suggested that we then stop the implementation of those projects and have this money taken back to the World Bank. This is the World Bank procedure. Money goes back to the World Bank. The Bank reverts that money back to the Government through the Treasury, and the money would then be taken to Ministry of Youth Affairs and Sports. The letter in question was drafted in consultation with the World Bank and the Treasury. This is the letter which came through the Prime Minister. So, it is a matter of reorganizing or re-engineering the project. It is not that the project is being cancelled or the money is going anywhere else. The World Bank will be happy to confirm what I am saying.

Mr. Wamalwa: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Order! Hon. Wamalwa, I know you may have a lot of interest in this matter as the original owner of the request, but, please, allow other Members to interact with this matter. Maybe we can pick you again later on.

The Minister for Lands (Mr. Orenge): On a matter of direction, Mr. Speaker, Sir. There is a lot of interest in this matter for very good reasons. I am reminded by an English philosopher who was asked to define an orange and his definition was that an orange is the simultaneity of roundness and greenness. But a bishop said that the best way to prove that an orange actually exists is that you may either kick it or eat it.

Now, there are allegations here which are undermining the authority of the entire Government if you can separate facts from fiction the way I have known in the many years I have been in this Parliament--- The Prime Minister has given a very comprehensive Statement, that if you think that, that Statement is not accurate--- All the evidence from the World Bank and ILO has been put before this House, and the information has come from the Government. If there is an allegation that some money has disappeared and there is no satisfaction with the answer that is being given, then decorum demands--- I mean these things happened 4,000 years ago in the Senate of Old Rome. There was an argument that Caesar would win not because of the language he was using, but by presenting facts. Facts are very stubborn. You cannot change facts. You can change opinions. So, the simple thing on this matter in order to bring the debate to a close--- Kenyans are being faced with an invasion. The simple question is that if there is evidence---

Mr. Ruto: On a point of information, Mr. Speaker, Sir.

Mr. Speaker: Minister, do you want information from hon. Ruto?

(Messrs. Orenge and Ruto stood up in their places)

Order! Order! Member for Ugenya and Member for Chepalungu, the Standing Orders do not allow both of you to be on your feet at the same time. The Member for Chepalungu rose on a point of information. I asked you if you want the information.

The Minister for Lands (Mr. Orenge): Mr. Speaker, Sir, I do not accept because he is going to be more confounded. Even the last information he sought, he did not find a response. It ended in nothing. So, I want information of value.

Mr. Speaker, Sir, this is the National Assembly. We have been given a role by this Constitution to audit, oversee and supervise. So, if any hon. Member has evidence of any sort which is not covered by the Prime Minister's Statement--- He has even talked about the money which is actually lost in terms of integrity and where the questions should be asked. So, the Member for Saboti, who has been speaking about this all over, should come with that evidence and say: "I confront you with this information." Otherwise, if this forum is going to be turned into a debating club, then I was better at Alliance High School in the Debating Club because, at least, we had some sense.

But, Mr. Speaker, Sir, you have done very well to bring emotions down. Let the public be given proper information. So far, and I know hon. Wamalwa very well, when he has got a great point, it does not take him so long. But, today, he wobbled, procrastinated and, at the end of it, I did not know what this is all about.

(Laughter)

Mr. Speaker: Order! Order, hon. Members! Member for Ugenya, that has not been too helpful, but you have said a few things, of course, which are important with respect to ground rules. But to say that the Member for Saboti wobbled, that is not friendly. That cannot be friendly, Member for Ugenya. Surely, as a colleague to the Member for Saboti, you must withdraw the word "wobbled". Maybe, you could say he hesitated or whatever, but not wobbled.

The Minister for Lands (Mr. Orengo): Mr. Speaker, Sir, really, it is the way he walks!

(Laughter)

Mr. Speaker: Order, Member for Ugenya! You are now compounding it!

The Minister for Lands (Mr. Orengo): Mr. Speaker, Sir, hon. Kenyatta has said that I better use the word "waffle", but I will obey your directive. I withdraw the word "wobble", but let him put the show on the road so that we can deal with something.

Mr. Speaker: We will now take three at a time. Please, hon. Members, note my directions. Each of you will be restricted to one request. So, Member for Yatta, articulate properly and finish with one request.

Mr. C. Kilonzo: Mr. Speaker, Sir, it is unfortunate that people are bringing politics in a very important issue. That project was commissioned in, among other places, in Yatta Constituency and Kajiado. We had the opportunity to host both the Rt. hon. Prime Minister, the President, the Vice-President, Ministry of Water and Irrigation and many other Ministries. People had high hopes and we still have high hopes. So, we should keep politics aside and deal with real issues.

Mr. Speaker, Sir, I have been a witness to two projects under the *Kazi Kwa Vijana* (KKV) projects. The initial ones were a failure because of teething problems, while the later ones have been a success story. But I only have one challenge from my constituency. It appears that the money is not sufficient. So, I would want to put a challenge to the Government. If the Government can get time and come to the ground and get a feel of what people are saying--- The challenge is that the money does not seem to be enough. My request to the Government and clarification to the Rt. hon. Prime Minister

is: Can there be more participation by local leaders, including Members of Parliament, as opposed to seeing money for KKV being implemented?

Mr. Bahari: Mr. Speaker, Sir, one section of KKV II that is important is about internship. We have not been told how that internship is being carried out and how many students have benefitted from that internship programme.

Mr. Speaker: Very well! That is precise and clear. Member for Konoin!

Dr. Kones: Mr. Speaker, Sir, first of all, I also want to say that this is a very important matter. I would like to tell the hon. Prime Minister that when we ask questions, it does not mean that we are not interested in the programme. We really want this programme to succeed because we have youths in our constituencies.

Mr. Speaker, Sir, the Prime Minister has actually confirmed in the value for money audit report that money was lost. I think that is not in doubt now. Hon. Namwamba, somehow, wants to downplay the amount that has been lost by talking about percentages. He has talked about 0.4 per cent. We are talking about Kshs300 million. If you give me Kshs300 million, I will run my constituency during the next term without requesting for Constituencies Development Fund (CDF) money. That is good money. In this report which was tabled by the Deputy Prime Minister and Minister for Local Government entitled "*Project appraisal document on the proposed credit*", one of the weaknesses which had been identified on this programme was possible co-ordination challenges for the Office of the Prime Minister. That has been confirmed by the loss so far in KKV II. Remember that the KKV II has just started. The Prime Minister has said that the expenditures that cannot be accounted for are either ineligible or irregularly applied and it does not mean that money has been lost. He has said that donor funds were used to pay for expenses which were not meant to be. Could the Prime Minister tell us where the Government money which was voted for such activities went to?

Mr. Speaker: Very well! Rt. hon. Prime Minister, do you want to respond to those three, so that we are on top of things? Member for Konoin, can you repeat your last request for clarification; the one where you want him to explain what happened to Government funds?

Dr. Kones: Yes, Mr. Speaker, Sir. He said that ineligible means that the World Bank money was used to finance activities that were supposed to be financed by Government contribution. But, already, there were funds that had been voted by the Government to finance the same activities. Could he explain what happened to that money? Could that not be the money that has also been highlighted in the Report by the Controller and Auditor General as being misused?

Mr. Speaker: Respond to those, Rt. hon. Prime Minister. We will take another set of three, so that we are on top of things.

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, hon. C. Kilonzo, basically, has asked about participation of leadership on the ground. Even in my other earlier Statement on this project, I did say that there was need for a redesign so that local leadership could actually be included. So, because this project is now being redesigned, we will ensure that room is given for local leadership to participate; the way, for example, we do with CDF and so on.

Mr. Speaker, Sir, hon. Bahari asked about the Kenya Private Sector Alliance (KEPSA) component. The internship training is actually being done by KEPSA. That is a component which comprises of US\$15.5 million. KEPSA is actually rolling out a

programme and, already, has held meetings with members. As you know, KEPSA members are in various sectors of the economy. That programme is already kick-starting but we have not received a feedback on how it is proceeding.

Dr. Kones, we need to be clear with these figures. When we talk about “ineligible”, we really are not implying that that money was lost. We have said that there are some monies which have got integrity issues and then there are others which are ineligible. So, the Kshs308 million was the sum total. But the one that was found by the internal audit to have integrity issues, amounted to Kshs107 million. That is out of Kshs7 billion, Kshs107 million is what had integrity issues which amounts to 1.35 per cent of the total amount of money that had been used. We said that that money should be recovered from the officers who were involved. Here, I am talking about the first phase.

Finally, with regard to the World Bank, I mentioned that the Prime Minister’s Office Component is only US\$400,000 out of the US\$60 million. This is basically for supervision purposes and things like launching and so on. We were supposed to have launched this project somewhere between Githunguri, Kinangop and Machakos but there were issues regarding local leadership and we had to postpone it. However, there are expenses which were incurred. This was on things like publicity material which include things like T-shirts, caps and so on and also publicizing the project countrywide through the media and rural expenses. Those were the expenses which were charged to the World Bank Account which the World Bank has said were ineligible; that they should not have been charged to their account; that this money should have been charged to the GoK component of the project.

So, there was a misunderstanding and we have agreed that we will refund the World Bank through the GoK component funds. That money has not been lost. In other words, we used the World Bank money to pay what should have been paid using the GoK component funds. That is not a loss. That is just an accounting confusion and we will address it by making internal transfers.

Mr. Ogindo: Thank you, Mr. Speaker, Sir. I want to thank the Prime Minister for the meticulous manner he has answered this question. However, I heard him talk about internship which would be rolled out by the Kenya Private Sector Alliance (KEPSA). The KEPSA is only here in Nairobi. I assume that the internship will engage youths who are at vocational training institutes, polytechnics and university graduates. How will these interns be recruited from all over the country and how long will the programme be there?

Mr. Mwathi: Thank you Mr. Speaker, Sir. This issue, as weighty as it seems, I would like to inform the Prime Minister that he has to address it in two fronts. One, he sorts out the problems with the donors, the World Bank and two; there are problems on the ground as we are speaking now. The KKV programme was targeting youth who were not employed. These youth use that money to purchase their daily food. Otherwise, they would go, engage in casual labour and get the money to buy food.

Yesterday, in my constituency, there were protests that the youth had not been paid for two months. I am sure that this will reverberate everywhere in the country. What plans are there, Mr. Prime Minister, as you sort out issues with the World Bank, to pay the arrears of the youth who are currently going hungry due to lack of money?

(Applause)

Dr. Khalwale: Thank you Mr. Speaker, Sir. My greatest sadness is that this particular scandal, if indeed it comes to pass as one, is a huge embarrassment to our Republic because seven years ago, this programme was started in---

The Prime Minister (Mr. Raila): On a point of order, Mr. Speaker, Sir. I do not know whether you heard the hon. Member talking about a scandal. Which scandal on the basis of the information I have provided here?

Mr. Speaker: Order! Member for Ikolomani, you have a challenge there. Let me hear you.

Dr. Khalwale: Mr. Speaker, Sir, having said that, I then followed it with the English words, "if it comes to pass."

That is English.

Mr. Speaker: Order, Member for Ikolomani, you really do not have to belabour the point. Before I say what I want to say, Right hon. Prime Minister, do you have any reaction to that? If that clarification is fine, then, let it pass.

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, I have provided facts here. So, let the hon. Member address the facts. If there is a scandal, let him say so. As far as I am concerned, there is no scandal because there was no money lost. I provided evidence here.

If the hon. Member is allowed to get away with that kind of language, we know what the media will do. That is how these Members get away with crime.

Mr. Speaker: Member for Ikolomani, perhaps, you want to diffuse that so that we do not dwell on sideshows.

Dr. Khalwale: Mr. Speaker, Sir, may I make progress?

Mr. Speaker: Yes, please. Kindly just clear the issue.

Dr. Khalwale: Mr. Speaker, Sir, seven years ago, the World Bank funded the Ghana Youth Empowerment Programme.

Mr. Speaker: Member for Ikolomani, if I were you, what I would do is to settle that matter very simply. I would say that I have not alleged that there is a scandal. I have alluded to a possibility of there being a scandal.

An hon. Member: Teach him some English!

Dr. Khalwale: Thank you Mr. Speaker, Sir. Allow me to be associated with the good words you have used.

Mr. Speaker: Carry on!

Dr. Khalwale: Mr. Speaker, Sir, as a result of the Youth Empowerment Programme, all hon. Members know what has happened to the Ghanaian Economy.

An hon. Member: We do not know!

Dr. Khalwale: Mr. Speaker, Sir, one of the documents that were tabled in this House, page 126, by hon. Mudavadi and the Prime Minister, titled, "Project Appraisal Document", dated 23rdth March, 2010.

On page 26, they refer to a list of senior staff who were involved in supervision of this programme. Among some of them, if you allow me, is Caroli Omondi, Chief of Staff, Office of the Deputy Prime Minister (OPM), John Musale, Deputy Chief Economist, OPM, Mohammed Isahakia, Permanent Secretary, OPM and Dr. Rachel Gesami, Director, Vision 2030, Coordination, OPM.

The clarification I want in respect of that is as follows.

Mr. Speaker: Order! Member for Ikolomani, I do not want to interject unnecessarily but we are not clear on what document you are using.

Dr. Khalwale: Mr. Speaker, Sir, there is a document which I have called Project Appraisal Document, a thick one on proposed credits.

Mr. Speaker: Just hold on so that we are on the same page. Is it the one dated 3rd March, 2010?

Dr. Khalwale: Mr. Speaker, Sir, yes.

Mr. Speaker: What page?

Dr. Khalwale: Mr. Speaker, Sir, I am now quoting from page 126.

Mr. Speaker: Just a minute so that we are there.

(Mr. Speaker perused the document)

Carry on!

Dr. Khalwale: Thank you, Mr. Speaker, Sir.

Mr. Speaker, Sir, in view of this revelation by the World Bank, I want the Prime Minister to clarify what role the following officers played. One, why did--- I am specifying every officer so that it does not look like I am asking more than one question. It is just one question.

Mr. Speaker: All right; carry on!

Dr. Khalwale: Why did Dr. Rachel Gesami pay herself Kshs5.2 million? Two, why did Mr. Mohammed Isahakia write a letter dated 18th July, the same year---

Mr. Namwamba: On a point of order, Mr. Speaker, Sir.

Dr. Khalwale: and in that letter---

Mr. Speaker: What is it, the hon. Member for Budalangi?

Just a minute, hon. Member for Ikolomani!

Mr. Namwamba: Mr. Speaker, Sir, I need some guidance from the Chair. Will I be in order, therefore, to ask the Chair to guide us on these two issues? One, the document that we are being referred to which, unfortunately some of us have not had the opportunity to benefit from seeing, is dated March, according to the date you have given from the Chair.

Mr. Speaker: It is dated 3rd March, 2010.

Mr. Namwamba: 3rd March, 2010.

Mr. Speaker, Sir, we also do have a document, the latest report from the World Bank (WB) dated 31st October, giving the latest and the final report on all the---

Mr. Speaker: Order, hon. Member for Budalangi! Order! I actually want to really refrain myself from interrupting you, but the fact that you are explaining the document dated 3rd March, 2010, and the document dated 31st October, 2011, surely cannot bar the hon. Member for Ikolomani from asking a question! Honestly, you cannot do that!

(Applause)

Up to where you are, the point of order by the hon. Member for Ikolomani is valid. May be, what you may want to do is that when the Right Hon. Prime Minister is giving his response, you may want to reinforce the response of the Right Hon. Prime Minister, or

give him information that, in fact, there is an explanation to be found on that document. So, let the hon. Member for Ikolomani proceed,

(Mr. Namwamba stood up in his place)

Order, hon. Member for Budalangi! I have ruled that, that is not a fair point of order.

Proceed, hon. Member for Ikolomani!

(Mr. Mbadi stood up in his place)

Order, hon. Member for Gwassi! Let us relax! You have to accommodate your colleagues!

Proceed, hon. Member for Ikolomani.

Mrs. Odhiambo-Mabona: On a point of order, Mr. Speaker, Sir.

(Several hon. Members stood up in their places)

Mr. Speaker: Persistence will not help! Just as you want to be listened to, let us also hear other hon. Members!

(Applause)

This thing will degenerate into a free for all! Mrs. Mabona, kindly, please, accommodate your colleague!

Mrs. Odhiambo-Mabona: But I have not spoken today!

(Laughter)

Mr. Speaker: Proceed, hon. Member for Ikolomani!

Dr. Khalwale: Thank you, Mr. Speaker, Sir. In respect of the Permanent Secretary, Mr. Mohammed Isahakia, could the Prime Minister clarify whether, indeed, on the 18th of July, 2011, he issued a circular in which he directed that the Office of the Prime Minister had picked a particular bank. He directed that all youth groups should pay Kshs300 upon opening an account and, in the process, without observing procurement procedure in procuring that bank, he enabled this bank to get 200,000 accounts; he asked youths to pay money to that bank yet when individuals or youth groups open accounts, they are not asked to pay even a cent? Could the Prime Minister clarify?

Finally, Mr. Speaker, Sir---

Mr. Speaker: You were allowed one clarification only!

Dr. Khalwale: I am still on the officers; I am not doing another one.

Mr. Speaker: All right, finish; conclude, the hon. Member for Ikolomani.

Dr. Khalwale: Mr. Speaker, Sir, because of that, there is a letter here, which I believe the Prime Minister or hon. Mudavadi referred to. It was tabled in this House. It is a letter to Joseph Kinyua, the PS. It has got an annexure of a breakdown of the funds that

were disbursed. I want to agree with the Prime Minister that I would be the last person to ask you to account for loss of money in Ministries where you are far removed; but I want to challenge you, Mr. Prime Minister. Can you clarify the Kshs171.2 million that, in this breakdown, is specifically at the Office of the Prime Minister? Can you account for it?

(Applause)

If you cannot account for it, you should take political responsibility, because that is the high standard you set in this country when you dismissed hon. Ruto and Prof. Ongeru. It was purely because of such issues. We would like you to take the same responsibility.

(Several hon. Members stood up in their places)

Mr. Speaker: What is it, hon. Member for Budalangi?

Mr. Namwamba: Mr. Speaker, Sir, when you stopped me earlier, with due respect, I needed some guidance from the Chair.

Mr. Speaker: Order, hon. Member for Budalangi! You know I have already dealt with that point of order.

Mr. Namwamba: I am on the last statement by the hon. Member, Mr. Speaker, Sir.

Mr. Speaker: Carry on; let me hear you!

Mr. Namwamba: Mr. Speaker, Sir, I need your guidance on how far we can go to make reference to documents, especially in a selective manner, that give a misleading slant? My question is this; last week, the hon. Member for Ikolomani stood on the Floor of this House and confidently, on a challenge from myself--- I challenged him to substantiate an allegation he made on the Floor of this House. From your own guidance, he tabled a document which, on the first day of November, 2011, you ruled inadmissible.

Mr. Speaker, Sir, the guidance I seek from the Chair is: How does this House deal with hon. Members who come to this House, throw documents around, selectively pick little snippets from pages of documents which are not verified and, later on, they are found to be inadmissible and unauthentic in the manner that you found this particular document inadmissible? What action, therefore, in this particular specific respect is the Chair going to take against the hon. Member for Ikolomani? He misled the House at that time, he misrepresented facts, he tabled documents that were unauthentic and baseless, and he is perpetuating the same?

(Applause)

(Several hon. Members stood up in their places)

Mr. Speaker: Order! Order! Order! Order! What is it? Mrs. Odhiambo-Mabona? Are you rising on a point of order?

Mrs. Odhiambo-Mabona: You know my problem.

Mr. Speaker: You want to contribute?

(Several hon. Members stood up in their places)

Order! With respect to the matter that has been prosecuted in a point of order by the hon. Member for Budalangi, it is with respect to procedure, perhaps. But let me hear you, the hon. Member for Yatta, if you are going to speak to the matter, before I give directions.

Mr. C. Kilonzo: Mr. Speaker, Sir, a majority of Members of this House have a lot of confidence in the Office of the Prime Minister and believe that the Prime Minister himself can answer questions in the House. Therefore, my plea to the Chair is to request Members who are sitting on this side who are attempting to answer questions on behalf of the Prime Minister--- We ourselves on this side have a lot of confidence. We feel he can answer those questions. He is a seasoned politician!

My plea to the Chair is to tell some Members to relax. The Prime Minister is in charge and he is going to answer. I plead with Mr. Ababu Namwamba and Mr. Mbadi to please not answer questions on behalf of the Prime Minister.

Mr. Namwamba: On a point of order, Mr. Speaker, Sir. Do not throw around my name like that!

Mr. Mbadi: On a point of order, Mr. Speaker, Sir. You have just heard the hon. Member for Yatta imputing improper motive on the hon. Member for Gwasssi. I have not said anything yet he has mentioned my name. Can he withdraw and apologize to me for scandalizing my name?

Mr. C. Kilonzo: Mr. Speaker, Sir, I withdraw and apologize to Mr. Mbadi. I should have only stated Mr. Ababu Namwamba.

We have confidence in the Right hon. Prime Minister. He can answer questions. However, Members in the Back Bench should not be the ones purporting to want to answer questions on behalf of the Prime Minister. It is not acceptable.

(Messrs. Namwamba and. Ochieng' stood up in their places)

Mr. Speaker: Order, Member for Budalang'i!

Member for Nyakach, the Member for Yatta has actually withdrawn usage of your names, so to that extent let it rest there!

Right hon. Prime Minister, I will take two more. I make that exception and then you will respond.

(Eng. Maina stood up in his place)

Member for Mathira, what is it? I think you are catching my eye now to raise your issue!

Yes, I have seen you. Mrs. Odhiambo-Mabona, order!

Eng. Maina: Mr. Speaker, Sir, this afternoon, Kenyans are watching and young men are watching. This KKV which the World Bank has put a lot of money into could have made a difference to the youth in this country. The way the programme is, most of us in our constituencies hardly see where this money goes. My question and suggestion to the Government is: Can we redefine and re-design KKV in a way that money goes to the youth who are enterprising and make them have gainful employment? This idea of saying

there is bush clearing on a certain road and Kshs800, 000 has been spent, does not make any sense to anybody.

Mr. Speaker, Sir, I want the Prime Minister to say whether the Government should not sit down and design a way of channeling this money to our enterprising youths in various sectors in whatever they are doing to assist them.

Secondly, ---

Mr. Speaker: Order, Member for Mathira! I directed that I will allow every Member just one request, so, I am afraid you cannot say, "Secondly".

We will take the last one from Mrs. Odhiambo-Mabona!

Mrs. Odhiambo-Mabona: Mr. Speaker, Sir, first of all, I want to congratulate the Prime Minister for a very comprehensive answer. I also want to thank the Prime Minister for coming personally to respond to issues of the youth, especially after people were concerned that he needs to come personally. He is a person who does not fear challenge and I want to thank him.

Mr. Speaker, Sir, the clarification is; from the information we were given before, there were 14 budget lines that were considered ineligible. Today, the Prime Minister has come and shown that nine of them were cleared. There were five which were said to be ineligible. Ineligibility is not corruption. It simply means that the World Bank---

If you want, because Mr. Khalwale is asking me questions at the back, I can explain to him through the letter that the Prime Minister has read where the World Bank has explained sufficiently---

Dr. Khalwale: On a point of order, Mr. Speaker, Sir. You have heard the hon. Member dismiss the meaning of the word, "Ineligibility". Is she in order? Would you allow her to get away with this when we know that ineligible expenditure is the expenditure that was not planned for, was not voted for and, therefore, is misappropriation and corruption?

Mrs. Odhiambo-Mabona: Mr. Speaker, Sir, I am equal to the task and I will read the World Bank letter.

"Expenditure that do not accord with those provisions are ineligible for World Bank financing more particularly ineligibility---

Mr. Mbadi: On a point of information, Mr. Speaker, Sir.

Mrs. Odhiambo-Mabona: Mr. Speaker, Sir, yes, I would like to be informed by Mr. Mbadi.

Mr. Speaker: Order! Order! The Member for Chepalungu has stood on a point of order. I want to believe that you are finding something out of order said by Mrs. Odhiambo-Mabona!

Mr. Ruto: Yes, Mr. Speaker, Sir. I hear Mrs. Odhiambo-Mabona speaking as if she is answering and responding on behalf of the Prime Minister and trying to justify that no funds may have been lost yet the Prime Minister himself is on the HANSARD of the 25th ---

Mr. Njuguna wanted to know how much money was misappropriated. The Prime Minister said that he did not want to talk much about it. However, he said:-

"I have said that there was overspending in procurement and this is still a subject of investigation"

He was unable to explain the amount of misappropriation but he accepted that there was over-pricing! This is a fact! Is Mrs. Odhiambo-Mabona in order?

Mr. Speaker: Order, Member for Chepalungu! You have made your point.

Mrs. Odhiambo-Mabona, I want you to proceed and get to your request for clarification from the Prime Minister.

Mrs. Odhiambo-Mabona: Mr. Speaker, Sir, I am a very good student of the Speaker!

Mr. Speaker: Order! I have already given you directions! Proceed to the point where you make your request to the Prime Minister!

Mrs. Odhiambo-Mabona: Thank you Mr. Speaker, Sir.

An hon. Member: Sycophant!

Mrs. Odhiambo-Mabona: Even if I am a sycophant, I have no apologies!

Mr. Speaker: Just proceed!

Mrs. Odhiambo-Mabona: Mr. Speaker, Sir, the money is available---

Mr. Mbadi: On a point of information, Mr. Speaker, Sir.

Mrs. Odhiambo-Mabona: Yes, I would like to be informed!

Mr. Speaker: Order! You first of all catch my eye before I turn to the Member to ask them to accept the information. So, you wait until you catch my eye.

What is it Member for Gwassi?

Mr. Mbadi: Mr. Speaker, Sir, being an---

Mr. Speaker: Indicate what I have asked you!

Mr. Mbadi: I want to inform Mrs. Odhiambo-Mabona!

Mr. Speaker: Fine, then wait!

Mrs. Odhiambo-Mabona, do you want the information from the Member for Gwassi?

Mrs. Odhiambo-Mabona: Of course, from Suba, with pleasure!

Mr. Mbadi: Thank you Mr. Speaker, Sir, although I am not called Suba. I am Mr. John Mbadi the Member of Parliament for Gwassi.

Mr. Speaker, Sir, I wanted to inform my sister that being an accountant and having worked in a donor-funded project for four years, ineligible expenditure is very common in any donor-funded project and that is why donors insist that before they get into any project they have to get counterpart funding in which case it is the Government of Kenya funding. Donor funds have a lot of process and policies. Therefore, in the event that you expend some funds and the donor feels that the funds cannot be taken by them, they classify them as ineligible and then ask you to fund it from a counterpart fund.

Therefore, Mr. Speaker, Sir, I think my sister will benefit from that. When donors talk of ineligible expenditure, what they are saying---

Mr. Speaker: Order! Order! Now you are going to be repetitive.

Mrs. Odhiambo-Mabona, will you please proceed and make your request for clarification?

Mrs. Odhiambo-Mabona: Mr. Speaker, Sir, I thank Mr. Mbadi for saying what I was stopped from saying by Mr. Ruto.

Mr. Speaker, Sir, I would like the Prime Minister to clarify that given that Kshs7 billion was availed and has helped the youth, including the youth from Mbita and Suba, and we would still like our youth to benefit; and because there were issues raised in the first phase that need to be corrected, could the Prime Minister confirm that under ineligible expenditure number two, indeed, it has to do with monitoring and evaluation of

the project which will ensure better efficiency and more youth benefit instead of fighting the money that helps the youth?

Mr. Speaker: The Hon. Prime Minister, as you respond, stick to the point and be brief because we must do some business this afternoon.

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, I want to be brief but you will allow me to clarify certain issues, which will put a number of matters into perspective.

Let me begin with the clarification sought by hon. Ogindo - internship. His concern is whether KEPSA is based in Nairobi. No, KEPSA has members in all parts of the country but the programme they are implementing is very specific and open to all Kenyans. So, Kenyans from all parts of the country can apply. It is just like the Kenya Polytechnic in Nairobi. It does not only admit students from Nairobi but it gets students from all over the country. So, I am sure that KEPSA is going to look at the country as a whole in their programme.

The Member of Parliament for Limuru was concerned that youths have not been paid for the last two months. The programme we are talking about is just beginning. I want it to be known that the KKV programme was stopped in the 2009/2010 Financial Year. No more funds have been made available. So, if people are working, they must be doing so in another scheme, and not KKV programme.

Mr. Speaker, Sir, I fully agree with Eng. Maina. That is the reason as to why we have suggested that this programme be re-designed, so that money can go directly to the youth groups.

Dr. Khalwale has raised many issues, which need to be put into perspective. I want the House to listen very carefully because it appears as if there is an attempt to make a scandal where there is none. I wish the hon. Member was not economical with the facts. It would help the House much better. He has talked about a letter which was written by my PS to the World Bank regarding Mrs. Gesami.

Mr. Speaker, Sir, this letter, basically, just requested the World Bank that Mrs. Gesami could be employed as a consultant of this project. The letter says:-

“Going forward, we need to ensure continuity of the project. Given Dr. Gesami’s experience of the international community and the Government of Kenya, we find her background, skills and knowledge most appropriate for the position. I, therefore, recommend a two-year renewal of contract for Dr. Gesami, payable from the Rapid Social Response Grant up to an amount not exceeding US\$5,000 per month.”

Mr. Speaker, Sir, the World Bank respond to their correspondence, saying:-

“Dr. Gesami: Full Time Dedicated Project Coordinator (2 years)

Dr. Isahakiah, based on the information provided in your letter dated 15th July, we are pleased to provide our no objection to hire Dr. Rachael Gesami as the Director, Project Coordinating Unit for the Kenya Youth Empowerment Project for a period of two calendar years for a contract amount not exceeding US\$120,000. We note that this will be financed from the proceeds of the Rapid Social Response Grant.

Please, note that the contract should be expressed in Kenya Shillings to avoid exchange rate complications at a letter date, given that Dr. Gesami is a local consultant.”

Mr. Speaker, Sir, Dr. Khalwale, again, has mentioned some names but, again, he was very economical with the facts because the list he was quoting from has 47 names. He purposely just picked a few names from the Office of the Prime Minister. He said that the Government had kept staff who worked on the project, including among others. The

list starts with Ahmed Mohammed, State Counsel, State Law Office, but this name has been omitted. He only mentioned Arnold Bindi, Office of the Prime Minister.

Mr. Speaker: The Rt. Hon. Prime Minister, if Dr. Khalwale was selective, then it does not help also for you now to mention further names because this document has already been tabled.

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, I am not going to do so. I do not intend to mention names. I just want hon. Members to know. I was just mentioning a few names, basically as examples.

Mr. Speaker: Okay. Proceed.

The Prime Minister (Mr. Raila): Mr. Speaker, Sir, hon. Members need to know that that there are 47 names on this list, and that they come from across the Government. The ones he mentioned are only four, from the Office of the Prime Minister. They form less than one tenth of the 47 persons whose names are on this list.

Dr. Khalwale mentioned a letter which was written from my Office. He has referred to an amount of US\$1.725 million but this is exactly what I was referring to, when I said earlier on that we had requested that this project be re-designed and restructured, so that it can best benefit the youth. This answers the concerns raised by the Member for Mathira, Eng. Maina.

Mr. Speaker, Sir, if you allow me, it is important that I quote from this letter because I want it fully understood that the project is not being cancelled but it is just being re-designed. The impression created amongst members of the public is that this project is being cancelled and the money being refunded to the World Bank. The letter says:-

“The Kenya Youth Empowerment Project Component provides funding for labour intensive works and social services, amounting to US\$43 million over a four year period. The main objective of this Component is to support the Government in reducing vulnerability of unemployed young women and men by expanding and enhancing the *Kazi Kwa Vijana* Programme. The Component finances labour intensive projects that provide income opportunities to participating youth through payment of wages and at the same time enhance community access to social and economic infrastructure. The target group of the Component is the unemployed youth aged between 18 and 35 years.

The Office of the Prime Minister has concerns that the Component does not have adequate controls to ensure that the project resources are spent only for the specific purposes intended, given the decentralised nature of the project. This is a result of the First Phase experience. The Component is implemented through six line Ministries, with a total of 406 sub-projects in the eight pilot counties in the first year of operation.

Based on implementation experience, to-date, it will be difficult to strengthen systems sufficiently to ensure an effective span of control over all the sub-project activities. These include the financial management arrangements at the district-level, which involves payments to individual youths. These concerns are reflected in the conclusion of the recent World Bank Financial Management Review that rated the component as high risk.

In that regard, the Office of the Prime Minister, after consultation with the World Bank, would like to request Treasury to cancel this Component of the Kenya Youth Empowerment Project. The Office of the Prime Minister intends to refund all the World Bank financing that has been disbursed to this component to date, including both the

credit and the associated Grant. The Office of the Prime Minister will work with the implementing line Ministries and Treasury to enable this repayment as soon as possible.

In this regard, I would like to request that your office initiate the restructuring of the Kenya Youth Empowerment Project to cancel this component and relocate this financing to other activities of the World Bank Kenya portfolios.

The World Bank has confirmed that it will continue to support the social protection with Kenya and it is empowering a new operation to prove more strategic to support this sector.”

In other words, this money is just being relocated. The money is not lost anywhere.

Mr. Speaker, Sir, finally, Dr. Khalwale referred to a deposit of Kshs300 for the youth groups, a letter which was written. That money was not being charged to the youth groups. That money was to be deposited in the account by the youth groups to show that they are serious groups. They were depositing it in their accounts and it belonged to them. So, it was not a charge to the youth groups. It was only to be able to discriminate to find out which one is serious and which one is not serious. The amount of Kshs300 is a token just for the youth group to demonstrate seriousness.

Finally, I want to urge the House that this is a serious programme. It is a serious project which is aimed at alleviating poverty and creating employment for our youth. We need to look at ways and means of making it much more cost-effective. That is why the suggestion that local leadership be involved in management is quite acceptable to the Government.

Mr. Speaker, Sir, I have endeavoured to provide all the detailed information, so that the minds of Kenyans are not poisoned about the project which is aimed and intended to help our youth.

I want to conclude by saying that this KKV Phase II; that is, the Kenya Youth Empowerment Project which has not yet kicked off is at its infancy. Up to now, not a single penny has been lost in this programme. We have learnt from the three years of Phase I. We will ensure that the money that will be allocated by the World Bank and any other donors to these programmes does meet the needs of our youth.

Thank you.

Mr. Speaker: Order, hon. Members. Hon. Members, we must now come to the end of that matter on page 2959, paragraph 8. If hon. Members want to pursue it further, the Standing Orders, of course, have enabling provisions. The role of the Speaker, obviously, is just to see that you live within those provisions as are in the Standing Orders.

Paragraph (b) will be deferred to Wednesday, next week because of the point at which we are. Right hon. Prime Minister, unless you indicate that you want to deal with it tomorrow, I want to defer it to Wednesday, next week.

The Prime Minister (Mr. Raila): Wednesday, next week!

Mr. Speaker: It is so directed!

Hon. Members, as I did indicate a little earlier on, it is necessary that we do some business. We have 25 minutes to do other business as is on the Order Paper.

So, next Order.

Mr. Midiwo: Mr. Speaker, Sir, I respect your direction, but I wish to say that there was an issue which cannot go uncorrected about the aspersions cast over Dr.

Gesami, in light of the explanation issued by the Prime Minister because it will go as a challenge and an aspersion on her character which has since been corrected by the Prime Minister.

Mr. Speaker: Very well! It is well taken; that the correction by the Prime Minister, in my view, then acquits Dr. Gesami. In fact, cleanses and cleans her name.

The Minister for Regional Development Authorities (Mr. Gumo): On a point of order, Mr. Speaker, Sir. I would like you to direct this House because it has become very common that majority of the Members of this House carry all the debates of this House to funerals before they are concluded. This is unprocedural and you should direct them to stop that with immediate effect.

Mr. Imanyara: On a point of order, Mr. Speaker, Sir. It may very well be true that there are some Members who do what the Minister has said, but is he in order to say that the majority of the Members of this House do that when we know that it is a tiny minority that conducts those funeral rituals?

(Laughter)

Mr. Speaker: Member for Westlands, will you, please, re-articulate your request for directions?

The Minister for Regional Development Authorities (Mr. Gumo): Mr. Speaker, Sir, I agree with the Member. A few Members of this House go to funerals not to mourn, but to carry the debates of this House to those funeral services.

Eng. Gumbo: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: What is it, Member for Rarieda? But try to relax! Do not push too hard!

Eng. Gumbo: Mr. Speaker, Sir, I have been standing up since this matter started. I have a point which I feel should have come out. When the Prime Minister was giving his explanation, it came out very clearly that the reason we are in this problem is because some staffers at the World Bank leaked out a document which was internal. Last year, I together with Members from Western Province pursued the matter of the Western Kenya Community Driven Flood Mitigation Project and it came out very clearly that the gravity of that project as was released to the media was much more than the reality. It was a consequence of some collaborators within the World Bank trying to hype the project and make the project die.

This matter is important because it amounts to the fact that there are people within the World Bank who are being used. It is very clear because you can see how this matter has been hyped. There are people within the World Bank who without the authority of the World Bank leaked an internal document for partisan political interest. It is very important that we are told, as a House, what action the Government has taken against these people.

Mr. Speaker, Sir, we are approaching an election year and if some workers in the World Bank can be used to raise political temperatures in the country over a matter which can be discussed between the bank and the Government, it is unfortunate. Is it in order? Do we not have a right to be told what action the Government has taken to make sure that the appropriate disciplinary action is taken against these employees, who we understand are Kenyans?

Mr. Speaker: Order! Member for Rarieda, indeed, that is a heavy concern except that it cannot be the Speaker to tell you what the Government is doing. You ought to invoke the Standing Orders and raise the matter in the House appropriately and it will be directed to the correct Government department to give you a response; to give you an account and, I will ensure that, that happens. But at the point at which you are bringing it, the House cannot be of much use to you.

Eng. Gumbo: Mr. Speaker, Sir, the reason I was raising this matter was because to me this matter amounts to the World Bank employees interfering in the affairs of Kenya.

Mr. Speaker: Order, hon. Gumbo! You ought to have listened to me and thought about it carefully. What I am telling you is that you can still get the Prime Minister to give you that response. Just invoke the Standing Orders. If you raised that matter and if you want the Rt. Hon. Prime Minister to respond, he will. I will compel him to respond; I will be of help to you; but now, how you are doing it, I am afraid it does not fit.

Hon. Members, I want hon. Members of Parliament to avoid this situation; each and every Member of Parliament is equal to the other. You all have entitlements. So, we cannot have situations where for example hon. Odhiambo-Mabona rises in this House and says: "Mr. Speaker, you know I have not spoken the whole day." If she has not spoken and the hon. Member for Kisumu East has spoken that is good enough. We cannot have a situation where the Speaker takes the hon. Member for Ugenya, the Member for Rangwe, the Member for Kisumu Town West and the Member for Nyatike and then goes on and takes the Member for Rarieda. What happens to the rest of the hon. Members who come from other parts of country?

(Applause)

Hon. Members: On a point of order, Mr. Speaker, Sir.

Mrs. Odhiambo-Mabona: On a point of order, Mr. Speaker, Sir. I am a minority; Subas are a minority.

Mr. Speaker: Order, hon. Members! You must actually relax. This nation belongs to all of us. We represent the people of Kenya, and every one of you has capacity to represent a constituency in Kenya, and has a right to be heard. I will not allow a situation where certain Members of Parliament feel that they have a right to monopolise or dominate activities in the chamber. I shall not allow that. I will not be your Speaker if that is the way you want to go.

Next Order!

Mr. Namwamba: On a point of order, Mr. Speaker, Sir.

Mr. Speaker: Is it related to the next Order?

Mr. Namwamba: Mr. Speaker, Sir, it is a fundamental issue that I plead with the Chair to consider.

Mr. Speaker: Is it relevant to the point at which we are?

Mr. Namwamba: Yes, Mr. Speaker, Sir. Please allow me to raise it?

Mr. Speaker: Okay. What is it?

Mr. Namwamba: Mr. Speaker, Sir, this is a matter that touches on the integrity of this House. Last week when this matter was first being debated last Wednesday I challenged Dr. Khalwale to substantiate an allegation he had made, at which point you

required him to substantiate by tabling an audit report that he had extensively quoted from.

Mr. Speaker: Order, hon. Namwamba! You have spoken to that matter as I heard you earlier today. In my view, assessment and opinion, which I am entitled to, you can raise that matter in any other sitting of the House on how this House should treat Members who table documents which may be inaccurate and are eventually found not to be admissible. I understand that to be where you are going; indeed; you have many opportunities. You can raise that matter and we will not shy away from it. We will deal with it. So, please hold your horse. Raise it even tomorrow afternoon, if you wish and we will address ourselves to it.

Hon. Gumo, I will give directions on your matter as raised on Thursday next week.

Mr. Kutuny: Jambo la nidhamu kulingana na swali hili, Bw. Spika.

Mr. Speaker: Hili swali sasa limekwisha.

Mr. Kutuny: Bw. Spika, roho yangu inadukuduku sana kwa swala hili.

Mr. Speaker: Sitalirudia hilo swali tena.

Mr. Kutuny: Bw. Spika, nafikiri itawasaidia Waheshimiwa wengine.

Mr. Speaker: Order, Member for Cherangany! We have had a fairly good day. You do not want to be the one that I take disciplinary action against this afternoon. So, please, retrain yourself.

Hon. Members: Relax!

Mr. Mwau: On a point of order, Mr. Speaker, Sir. On Wednesday 19th, October, 2011, two weeks ago, I requested for a Ministerial Statement from the Government. I was promised that it would be made available on 26th October. On 26th, I was promised that it will be made available today. That is the Ministerial Statement that I am looking for.

Mr. Speaker: Very well! Member for Kilome, because of the business that we have had to go through, we will defer that Statement. That is because it will come from the Prime Minister. We will defer your Statement to Wednesday next week. Let us hope that the Prime Minister will be able to divide his work such that he can deliver both the business at paragraph “b” and that business.

Mr. Mwau: Thank you, Mr. Speaker, Sir.

BILL

First Reading

THE CONSTITUTION OF KENYA (AMENDMENT) BILL

POINT OF ORDER

OBJECTION TO FIRST READING OF CONSTITUTION OF KENYA (AMENDMENT) BILL

[Mr. Speaker left the Chair]

[Mr. Deputy Speaker took the Chair]

Mr. Mungatana: On a point of order, Mr. Deputy Speaker, Sir. Under Order No. 8, I rise to strongly object to the manner in which the Minister has presented this Constitutional Bill.

Mr. Deputy Speaker, Sir, the Constitutional Bill which is before the House, which is the Bill which has superseded the Bill that was initially published on 21st September, 2011, bearing the same title, is guilty of mixing issues of fundamental importance to this House. From this Bill that is supposed to undergo the First Reading today, you will notice that they have raised the first Article 89 on delimitation of electoral units and then Articles Nos.90, 97 and 98 on the allocation of party lists, membership of the National Assembly and membership of the Senate which regards---

(Loud consultations)

Mrs. Shebesh: On a point of order, Mr. Deputy Speaker, Sir. Could I request you to ask hon. Members to consult a bit quietly because what hon. Mungatana is raising here is fundamental to the Constitutional Bill that is coming?

Mr. Deputy Speaker: Order, hon. Members! Order! Proceed, hon. Mungatana.

Mr. Mungatana: Thank you, Mr. Deputy Speaker, Sir and hon. Shebesh.

Mr. Deputy Speaker, Sir, I want to raise an objection to the manner in which the Minister in charge of the Constitution has presented this Constitutional Bill before this House. The Minister is guilty of mixing fundamental issues in a manner that will deny this House an opportunity to focus and debate the issues that are arising from the Bill that is supposed to be presented for First Reading today.

Mr. Deputy Speaker, Sir, Article 89 on the delimitation of electoral units is a very fundamental issue. It is a deep constitutional issue and the amendment that has been sought has been brought here by way of a Question. The Minister has admitted that it is an issue that needs debate and clear understanding.

The issue of allocation of party lists, Article 97 about the Membership of the National Assembly and Article 98 on the Membership of the Senate all deal with the question of whether or not, and how to balance the genders within these Houses. Again, that is a fundamental issue that the Minister should not have put together with other issues in an omnibus.

Finally, there is Article 101 on the election date where the Minister is seeking to change the election from the second Tuesday in August, to the third Monday in December, together with the consequential amendments. Again, this is a fundamental issue that I argue cannot be brought as an omnibus before this House. The Minister has failed to distinguish between a constitutional Bill and an ordinary Bill that comes in a manner that he wished to present here.

Mr. Deputy Speaker, Sir, if you look at ordinary Bills that come here, for example, the Finance Bill and the other Miscellaneous Bills that are brought by the Attorney-General, that is where we have miscellaneous amendments being put together and those are ordinary pieces of legislation.

I have looked at the history of the constitutional change in this country, right from 1966 during the tenure of the late Tom Mboya, Minister for Constitutional Affairs, to the tenure of the former Minister for Constitutional Affairs, Mr. Charles Njonjo and even

during the tenure of the former retired Attorney-General hon. Amos Wako; at all times, whenever they brought issues that dealt with the Constitution in this House, they would focus on a particular issue and allow the House and the country to mull over those issues and debate them until we reach a complete understanding; either to negative or accept those issues. However, the way the Minister has framed this, it is taking this House for granted.

Mr. Deputy Speaker, Sir, even the fact that a constitutional Bill requires a special majority makes it clear that he cannot bring an omnibus amendment to this House in a manner that will sort of show that the Government is taking this House for granted. This again shows that the Government indeed, wants to put the Members of this House and, indeed, Parliament in a dilemma. If the Member for Garsen, for example, and the people I represent would want to support the issue of women but do not want to change the election date, how would I vote for the constitutional Bill presented the way the Government has crafted it? Does the Government want to use the carrot and stick in this manner? Does the Government want to have lack of goodwill, in fact, as they debate these fundamental issues that affect this country?

Mr. Deputy Speaker, Sir, I wish to state that even the Judiciary, when it is dealing with constitutional issues, there is a special constitutional court. It is not an ordinary matter. The Minister knows, since he is a senior counsel, that he cannot do what he wants to do in the manner that he wants to do it. I do not need to remind the Minister that the Constitution is the Supreme Law of this land. We went through so much to try and make the Constitution the way it is today. The Minister is aware that even to change a comma, the country would need to know the architecture of the way we live is being changed by a comma. We cannot achieve this if we put an omnibus proposal of miscellaneous amendments in the Bill. This is a Constitutional Bill.

The Minister for Lands (Mr. Orengo): On a point of order, Mr. Deputy Speaker, Sir. Whereas the issues that are being brought out by hon. Mungatana are matters which he takes caution and time on--- One should look at the practice that a Constitutional Bill cannot be amended. I think that goes without saying; you either pass it or you do not. So, I have a lot of sympathy in what he is saying. But I just thought the use of the word “trickery” was not proper. He is raising very weighty issues and I think--- Do not hurry; just take your time. The Cabinet made a decision, to which I was a party, but I have a lot of sympathy with what is saying. I want to hear the arguments coming out.

Mr. Mungatana: I withdraw the word.

Mr. Deputy Speaker, Sir, going to the issue that is there, in fact, the Senior Counsel and Minister for Lands has alluded to it. A Constitutional Bill does not have the benefit of this House amending even a single clause, a comma, a full stop or anything. If it is an ordinary piece of legislation--- If, for example, the Minister has brought a raft of legislation proposals in the Finance Bill from various Acts of Parliament, that is one case when we allow miscellaneous amendments. If it is the Attorney-General who has brought a number of miscellaneous amendments through a Miscellaneous Amendment Bill--- If you look at those Bills, at the Committee Stage, I, as hon. Mungatana and any other hon. Member, have the advantage of removing some clauses at the Committee Stage, amending some clauses and dealing with that matter in any other manner. But, if it is a Constitutional Bill, we either have to pass the entire Bill or throw out the entire Bill.

Mr. Deputy Speaker, Sir, this means that we must go slowly and cautiously. This House will not accept to be hurried over these issues. There is no harm in the Minister going back before allowing this First Reading to take place. We, as a Parliament, will not accept this; I know all people who have been thinking about our Constitution and the pains we went through, would want us to go slowly.

Mr. Deputy Speaker, Sir, I would propose, sincerely from the bottom of my heart, that the Minister goes back with this Bill. Let him not put all this like in a normal Constitutional Bill; let him go back, let him redraft; let him bring the three issues separately and let us debate as a House. Let us debate as a country and let us agree to disagree, but we cannot allow the Government, or the Executive Arm of the Government, to ride roughshod over this Parliament.

Mr. Deputy Speaker, Sir, I beg to disagree that it be read for the First Time.

Mr. Imanyara: On a point of order, Mr. Deputy Speaker, Sir. On a related issue, while I do support the objection that hon. Mungatana has raised, I wish to bring more reasons why this First Reading will breach the Constitution as framed today.

Mr. Deputy Speaker, Sir, to begin, let us look at the language of Article 3 of the Constitution of Kenya and what it tells us to do as public servants

“3. (1) Every person has an obligation to respect, uphold and defend this Constitution.”

Mr. Deputy Speaker, Sir, an attempt to amend the Constitution otherwise than in the manner in which it is provided for in the Constitution itself undermines and breaches this fundamental principle of our Constitution. I say this with tremendous respect to my Senior Counsel, the Minister for Justice, National Cohesion and Constitutional Affairs, who has done a tremendous job shepherding this new Constitutional dispensation to the point at which we are. My main fear is that this Bill does breach Standing Order No. 47; it does breach the separation of powers doctrine; it does infringe on the right of the Supreme Court of Kenya to determine an issue that is before it, and it is not in good faith.

Mr. Deputy Speaker, Sir, I will give you reasons under the three arms that I have spoken about, starting by giving you the fact that, to add on to what hon. Mungatana said, regarding the omnibus provisions of amending the Constitution.

Mr. Deputy Speaker, Sir, in this regard, we are fortunate enough because we have institutional memory in the form of a book published by none other than the Clerk of this National Assembly that examines all Constitutional Amendment Bills since 1963 to the year 2008. Mr. Gichohi, in his book “The Speaker’s Rulings, 1963 to 2008” has actually examined every single constitutional amendment up to 2008, when we brought in the new Constitution. The conclusion he arrives at is that there has not been one single occasion when we have amended the Constitution in more than one place in one Constitutional Amendment Bill. Every Constitutional Amendment Bill must come separately for the very good reasons that the Minister for Lands has mentioned.

Mr. Deputy Speaker, Sir, the Standing Orders themselves require us to obey the usages of the ages. That is the only way in which we can build valid precedents in the manner in which we operate the business of this House and, also, reliably know how to behave tomorrow when we are amending the laws of the land.

Mr. Deputy Speaker, Sir, if you would want me to take you through briefly all the amendments and what happened in each one of them, you will see that there has not been one occasion--- I will be happy to go through this with the Minister for Justice, National

Cohesion and Constitutional Affairs to point out to him that to continue on the basis of three amendments in one, as he proposes, is to effect far reaching breaches of the traditions of this House, the usages of this House and to undermine the most important principle of the new constitutional order, which is to uphold the Constitution that we fought so hard for.

Mr. Deputy Speaker, Sir, the Minister and I have been on different sides of this constitutional dispensation debate for a very long time, but on this one, we are in agreement---

ADJOURNMENT

Mr. Deputy Speaker: Order! Hon. Members, it is now time to interrupt the business of the House. The House, therefore, stands adjourned until tomorrow, the 3rd of November, the year 2011, at 2.30 p.m.

The House rose at 6.33 p.m.