

REPUBLIC OF KENYA



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NATIONAL ASSEMBLY

Eleventh Parliament – First Session

**REPORT OF THE COMMITTEE ON
DELEGATED LEGISLATION
ON**

**THE PUBLIC FINANCE MANAGEMENT (UWEZO FUND)
REGULATIONS, 2013**

**National Assembly,
Parliament Buildings,
NAIROBI**

November, 2013

1.0 PREFACE

On behalf of the Members of the Select Committee on Delegated Legislation and pursuant to Standing Order No199, it is my pleasure and duty to present to the House, the Committee's Report on The Public Finance Management (Uwezo Fund) Regulations, 2013.

Committee Membership

The Parliamentary Select Committee on Delegated Legislation was constituted on 21st May, 2013 comprising of the following Members;

1. Hon. William Cheptumo, MP - Chairperson
2. Hon. Joseph Gitari, MP - Vice-Chairperson
3. Hon. Kabando wa Kabando, MP
4. Hon. Mohamed Aden Huka, MP
5. Hon. Ngikor Nicholas Nixon, MP
6. Hon. Michael Kiso Manthi, MP
7. Hon. Ibrahim Abdi Saney, MP
8. Hon. Zainabu Chidzuga, MP
9. Hon. John Waiganjo, MP
10. Hon. Yussuf Hassan, MP
11. Hon. Paul Koinange, MP
12. Hon. George Theuri, MP
13. Hon. Elisha Busienei, MP
14. Hon. Alfred Keter, MP
15. Hon. Eusilah Jepkosgei, MP
16. Hon. Paul Bii, MP
17. Hon. William Kisang, MP
18. Hon. Bernard Shinali, MP
19. Hon. Eng. Shadrack Manga, MP
20. Hon. Charles Gimose, MP
21. Hon. Vincent Musau, MP

22. Hon. Peter Kaluma, MP
23. Hon. Rachel Ameso, MP
24. Hon. Simba Arati, MP
25. Hon. Agostino Neto, MP
26. Hon. Wetangula Timothy Wanyonyi, MP
27. Hon. Marcus Mutua Muluvi, MP
28. Hon. T.J. Kajwang, MP
29. Hon. Kenneth Okoth, MP

Committee's Mandate

The Committee on Delegated Legislation is a Select Committee established pursuant to provisions of the Standing Order No. 210 whose mandate is to consider in respect of any statutory instrument whether it:-

- a. Is in accordance with the provision of the Constitution, the Act pursuant to which it is made or other relevant written laws;
- b. Infringes on fundamental rights and freedoms of the public;
- c. Contains a matter which in the option of the Committee should more properly be dealt with in an Act of the Parliament;
- d. Contains imposition of Taxation;
- e. Directly or indirectly bars the jurisdiction of the court;
- f. Gives retrospective effect to any of the provision in respect to which the Constitution does not expressly give any such power;
- g. Involves expenditure from the consolidated fund or other public revenues;
- h. Is defective in its drafting or for any reason form or part of the statutory instrument calls for any elucidation;
- i. Appears to make some unusual or unexpected use of the power conferred by the Constitution or the Act pursuant to which it is made;
- j. Appears to have had unjustifiable delay in its publication or laying before Parliament;

- k. Makes rights, liberties or obligations unduly dependent upon non-renewable decisions;
- l. Makes rights, liberties or obligations unduly dependent insufficiently defined administrative powers;
- m. Inappropriately delegates legislative powers;
- n. Imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;
- o. Appears for any reason to infringe on the rule of law;
- p. Inadequately subjects the exercise of legislative power to Parliamentary scrutiny; and,
- q. Accords to any other reason that the Committee considers fit to examine.

Standing Order No.210(4) provides that if the Committee-

- a. Resolves that the statutory instrument, be acceded to, the Clerk shall convey that resolution to the relevant state department or the authority that published the statutory instrument.
- b. Does not accede to the statutory instrument, the Committee may recommend to the House that the Assembly resolves that all or part of the statutory instrument be annulled.
- c. The Clerk shall submit the resolution under paragraph 4(b) above to the relevant state department or the authority that published the statutory instrument.

UWEZO FUND REGULATIONS

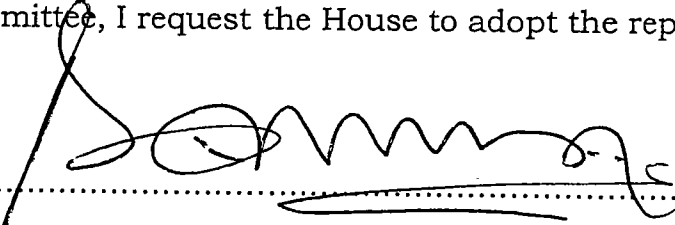
Pursuant Section 24 of the Public Finance Management Act (Act No. 18 of 2012), the Cabinet Secretary, National Treasury, transmitted to the Clerk for approval by the House. The Regulations were committed to the Committee on Delegated Legislation by the Hon. Speaker for review and scrutiny pursuant section 12(1) of the Statutory Instruments Act (Act No. 23 of 2012) and Standing Order 210.

The Committee reviewed and scrutinized the Regulations pursuant to Provisions of Section 13 of the Statutory Instruments Act and Standing Order No. 210. The Committee held seven Sittings, during which the Cabinet Secretary, Ministry of Devolution and Planning appeared before it and responded to the Committee's proposed amendments to Uwezo Fund Regulations.

Acknowledgement

- a. The Committee wishes to sincerely thank the Office of the Speaker and the Clerk of the National Assembly for the necessary support extended to it in the execution of its mandate;
- b. The Chairperson of the Committee takes this opportunity to thank all the Members of the Committee and the Friends of the Committee for their patience, sacrifice, dedication and hard work during the long sitting hours under tight schedules which enabled us to complete the task;
- c. The Committee also wishes to appreciate the Cabinet Secretary, Ministry of Devolution and Planning and her officers who appeared and made submissions before it.
- d. The Committee further wishes to record its appreciation for the services rendered by the staff of the National Assembly that enabled the production of this Report.
- e. Finally, it is now my pleasant duty, on behalf of the Select Committee on Delegated Legislation, to recommend this Report to the House pursuant to the provision of Standing Orders of the National Assembly. On behalf of the Committee, I request the House to adopt the report.

Thank you.

Signed:.....

HON. WILLIAM CHEPTUMO, MP

CHAIRPERSON, COMMITTEE ON DELEGATED LEGISLATION

2.0 UWEZO FUND BACKGROUND

The Uwezo Fund stems from the pledge His Excellency the President made to allocate Kshs. 6 billion that was meant for the presidential run-off to youth and women groups. Following this, the National Treasury allocated and Parliament approved the sum of Kshs. 6 billion to go towards this Fund in the budget covering the Financial Year 2013/14. The President officially launched the Fund on 8th September, 2013.

The Uwezo Fund will employ the principles of table banking and revolving funds to create a unique blend of financing for youth groups and will be disbursed at the constituency level modeled along the Constituency Development Fund framework. This will enable women and youth to access the Fund at the local level thereby reducing the transaction costs that they would have otherwise incurred.

The objectives of the funds are;

1. To expand access to credit to promote youth and women business and enterprises at the constituency level and thereby enhance economic growth towards the realization of the goals of Vision 2030;
2. To generate gainful self-employment for the youth and women;
3. To model an alternative framework in funding community driven development.

3.0 COMMITTEE'S DELIBERATIONS ON AND PROPOSED AMENDMENTS TO THE UWEZO FUND REGULATIONS

The Committee held nine Sittings where it scrutinized and extensively deliberated on the Regulations. After lengthy deliberations, the Committee was of the considered view that:

1. Regulations: 5(1), 5(2)(a), 5(2)(b), 5(2)(c), 5(2)(g), 5(3(a), 5(3(b), 5(3)(c), 5(4), 5(5), 5(6), 6(a), 6(b), 6(c), 6(d), 6(e), 6(f), 6(g), 6(h), 7, 8, 9, 10, 11(a), 11(b), 11(c), 11(d), 11(e), 11(2), 12, 13(1), 13(2)(b), 13(2)(d), 14(a), 14(b), 15(1)15(2)(a), 15(3), 15(4), 15(5), 15(6), 15(8), 16(1)(b), 16(1)(c), 16(1)(e), 16(1)(h), 16(1)(j), 16(2), 17, 18(1)(a), 18(1)(c), 18(1)(c)(ii), 18(2)(a), 18(2)(b), 18(2)(c), 19(a), 19(c), 19(d), 19(f), 21(2), 21(3), 21(4), 22(1)(a)(i), 22(1)(a)(ii), 22(1)(a)(iv), 22(1)(a)(vi), 22(1)(b)(i), 22(1)(b)(iii), 22(2)(a), 22(3), and 23 be retained as per the draft Regulations.
2. Regulations; 5(2)(d), 5(2)(e), 5(2)(f), 5(2)(h), 5(3), 6(i), 6(j), 7, 11(2)(f), 12, 13(2)(a), 13(2)(c), 14(c), 14(d), 15(2)(b), 15(2)c, 15(2)(e), 15(2)(f), 15(2)(g), 15(7), 16(1)(d), 16(1)(f), 16(1)(g), 18(1)(b), 18(1)(d), 18(1)(e)(i), 18(2)(d), 18(3), 19(b), 19(e), 20(1), 20(2), 21(1), 22(1)(a)(iii), 22(1)(a)(v), 22(1)(a)(vii), 22(1)(b)(ii), and 22(2)(b) be amended as follows;
 - i. The Committee proposed the deletion of Regulation 5(2d) because it did not find **relevance/role for the Ministry of Interior and National Coordination in the Fund Board.**
 - ii. The Committee noted that Regulation 5(2)(e) did not clearly define the two (2) persons to be appointed by the Cabinet Secretary. The Committee proposed that Regulation 5(2)(e) and 5(2)(f) **be merged and a clear description be made of those to be appointed and to include the youth to be among the 3 persons to be nominated for the Fund Board.**
 - iii. Under Regulation 5(2)(h), the Committee proposed **to amend the representation by religious institutions to avoid conflict from other religious organizations that would be left out in the appointment and replace with representative from a registered national professional body appointed by the Cabinet Secretary.**

- iv. Regulation 5(3) - the Committee proposed that the composition of the Board as envisaged under 5(2)(a) to 5(2)(h) and with qualifications under 5(3)(a) to 5(3)(c) may not be favourable to the youth. This Regulation to be amended to provide that the youth who meet the qualifications under this Regulation be considered.
- v. Under Regulation 6(i) and 6(j), the Committee proposed that they be deleted as they were repetitions. It is the Committee's view that what (i) and (j) intended to achieve is taken care of under 6(a).
- vi. Under Regulation 7, the Committee proposed that an inclusion be made that **'Parliament to appropriate to the Fund every year'**. There is need for the Uwezo Fund Initiative to grow annually.
- vii. Under Regulation 11(2)(f), the Committee proposed deletion of the words 'as he or she may consider to be' and replace with 'for'. **The words used appear to give general discretion to the Accounting Officer, which can easily be misused.**
- viii. Members deliberated in depth Regulation 12 on the inclusion of the President as the National Champion and Patron of the fund in the regulations **proposed to delete the entire Regulation 12 as it did not add value to the Fund. The Committee is of the view that the President be purely ceremonial. The President Policy direction on the Fund be owned by the Board. This will shield the President from direct involvement in policy formulation, performance and implementation. This will also shield the president from any consequences of performance and implementation of the Fund.**

- ix. Under Regulation 13, the Committee observed that sub-section (1) was missing and needed to be provided for.
- x. Under Regulation 13 (2), the Committee proposed that the responsibilities of the County Women Representative and those of the Member of the National Assembly be clearly and distinctly stated. The County Women Representative is a patron of the Fund at the county level, while the Member of the National Assembly of the Constituency is the patron of the Fund at the Constituency level. It would be difficult for the County Women Representative to appoint members of the Constituency Uwezo Committee as envisaged under Regulation 13(2)(c).
- xi. The Committee proposed that the word 'respectively' be added to Regulation 13(2)(a) to read 'provide linkage between the Fund and the public at the county and constituency level respectively'.
- xii. Under Regulation 14, the Committee proposed that the roles of the Ministry as spelt out in sub-section 14(c) and 14(d) be done in consultation with Uwezo Fund Constituency Committee. The Ministry should encourage constant consultations with the Uwezo Fund Management Committee to avoid conflict. In this regard, under 14(c) the following words be inserted immediately after the word 'offices' in the first line 'and in consultation with Constituency Uwezo Fund Management Committee'. The same with (d), immediately before the word 'be' in the first line.
- xiii. That sub-section 15 (2)(b) and 15(2)(c) be deleted

- xiv. That the officers in sub-section 15 (2)(a) and 15(2)(d) be ex-officio members.
- xv. Under Regulation 15(2)(e), the Committee proposes **deletion of the words 'following consultations between County Women Representative'**. It would be difficult to achieve consensus in the consultation with regard to nomination of the members of the Committee between the Women Representative and the Constituency Member of the Parliament. The Committee proposed deletion of the words **'following consultation between the County Women Representative of the National Assembly and'** and be replaced with **'by'**. Further, a provision be made under the same 15(2)(e) that each constituency should have at least a total of 5 representatives from the wards. This will take care of constituencies with few wards.
- xvi. The Committee proposed provision of a new 15(2)(f) to read **'The County Women Representative will nominate two persons, a man and a woman, one of whom should be a youth per constituency.'**
- xvii. That under Regulation 15(2)(f) to be 15(2)(g) and to include the nominating body to read as follows **" one person with disability per Constituency nominated by a registered organization for people with disabilities in the constituency"**.
- xviii. That sub-section 15(2)(g) be deleted and instead, the secretary of the Committee to be the officer in charge of the youth and women affairs in the sub-county under 15(2)(d).

- xix. Under Regulation 15(3) and 15(7) the Committee proposed the need to separate the Uwezo Fund from the Constituency Development Fund. The Committee emphasized the need to consider the possibility of having a separate secretariat within the Ministry in Charge of Youth and Women Affairs in the constituency/sub-county. The Ministry to post adequate staff in the Constituencies to form the secretariat and provide secretariat and administrative services as envisaged under 15(3) and 15(7).
- xx. Under Regulation 16, the Committee proposed to delete the word 'Religious' in (1)(d), (1)(f) and (1)(f). Further, the Committee proposed to delete the word 'Target' in (1)(f).
- xxi. Under Regulation 18(1)(d), the Committee deliberated on issue of giving grant to religious institutions and agreed that it was unconstitutional to give government money to religious organization as it would be a source of conflict and some groups would benefit more than once from the Fund. The Committee proposed to add the words 'as loan' immediately after the word share in (d) and to delete subsection (1)(d)(i), (1)(d)(ii) and (1)(d)(iii) with an amendment that the loan be 100% of the Constituency share.
- xxii. Under Regulation 18(1)(b) the Committee proposed to delete the words 'and target' and amend the word 'beneficiaries' to read 'beneficiary' on the second line.
- xxiii. Under Regulation 18 (1)(e)(i) the Committee proposed a provision to be added that; 'provided that the Committee shall ensure equitable distribution of funds in the wards'.
- xxiv. Under Regulation 18(2)(d) the Committee proposed that the word 'financial' be deleted and be replaced with 'business'.

- xxv. The Committee proposed that Regulation 18(3) be deleted for reasons specified under 18(1)(d)- **unconstitutional to give government money to religious organizations.**
- xxvi. The Committee proposed that the word '**religious**' be deleted under Regulation 19(1)(b).
- xxvii. The Committee further proposed that Regulation 19(1)(e) be deleted. **This regulation is taken care of by the provisions of Regulation 6 hereof which outline the functions of the Board.**
- xxviii. Under Regulation 20(1) the Committee proposed **that the word 'interest' be deleted and replaced with the word 'administrative fee' for the sake of the citizen who profess the Muslim faith.** Further, Committee proposed that **the word 'component' be deleted since the proposal for the grant was deleted leaving only one loan fund. Hence no need for the word 'component'.**
- xxix. The Committee proposed that Regulation 20(2) be deleted.
- xxx. Under Regulation 21(1), the Committee proposed that the entire sub-section be deleted as it negates the provisions of Regulation 21(2). Sub-section (2) fixes the grace period and the repayment period of the loan. Hence, no need to provide for the term of the loan repayment under 21(1)(a) to 21(1)(c).
- xxxi. The Committee proposed to delete the word '**element**' under 22(2) as there is only one Fund loan.
- xxxii. Under Regulation 22(1)(iii), the Committee proposed that the period of a group existence for qualification for the fund be reduced to **three months** from **six months.**

- xxxiii. The Committee further proposed that the word **'table banking'** be deleted from Regulation 22(1)(v).
- xxxiv. The Committee proposed that Regulation 22()(vii) be deleted. Since **involving the chiefs would encourage corruption and abuse of office especially where the chiefs are not in good terms with the groups or their leaders for various reasons including political reasons and other differences.**
- xxxv. The Committee proposed that Regulation 22(1)(b) the word **' a religious'** be deleted and be replaced with the word **'an'** and delete 22(1)(b)(ii) as per the earlier proposal under Regulation 16(1)(d)(f)(g).
- xxxvi. The Committee also proposed that Regulation 22(2)(b) be deleted as sub-section (2)(a) was sufficient commitment for the applicants. Seeking further reference letters as anticipated under (2)(b) would over-burden the applicants.

4.0 RESPONSE BY THE CABINET SECRETARY, MINISTRY OF DEVOLUTION AND PLANNING TO THE COMMITTEE'S PROPOSED AMENDMENTS.

The Cabinet Secretary, Ministry of Devolution and Planning appeared before the Committee on 5th November, 2013 made the following responses to the Committee's proposed amendments as outlined in item 3 above that;

- i. The Committee had proposed in Regulation 5(2)(a) that the Chairperson of the Board be approved by Parliament. However, the Cabinet Secretary informed the Committee that the proposal was not in line with the practice of other existing funds whereby the President appoints the Board Chairperson.

- ii. That Committee had proposed that Regulation 5(2)(d) be deleted since it found no role of the Ministry of Interior and National in the Fund Board. The Cabinet Secretary clarified that it is government's practice that any project cutting across various Ministries at the lower level, those Ministries are involved/represented at the Board level. The Ministry of Interior and Government Coordination is currently being restructured to coordinate all the government functions at the grass root.
- iii. The Cabinet Secretary agreed with the Committee's proposal that Regulation 5(2)(e) and 5(2)(f) be merged and a clear description of those appointed be made including the youth in the appointment in those particular sub-sections.
- iv. In Regulation 10, the Cabinet Secretary clarified that the Government Regulations and Procedures applicable under this Fund is the Public Finance Management Act, 2012 as it was the only Act that gives power to the Cabinet Secretary to establish a national government public fund with the approval of the National Assembly.
- v. In Regulation 12, the Cabinet Secretary informed the Committee that the role of the National Champion and Patron remains for visibility of the President since the Fund was established from a political promise.
- vi. In Regulation 13(2), the Cabinet Secretary informed the Committee that there will be no Uwezo Fund Committee at the County level to avoid duplication of roles at the county and constituency level. Further, the Cabinet Secretary clarified that establishing the committee at the county level would require engaging with the county governors, whereas the Fund is a function of the national government but implemented through sub-county level.
- vii. In Regulation 14(1)(b and c), on the proposal that the Ministry to be consulting with the Uwezo Fund Constituency Committee, the Cabinet Secretary clarified that it was important to have the Ministry deal with the policy issue and formulation while the constituency committees should concentrate with the day to day running of the Fund on the

ground. This is informed by the fact that the Board is accountable at the policy level and not at the constituency level.

- viii. The Cabinet Secretary indicated that Regulation 15(2)(b and c) be retained since government fund is implemented by government officers. This is informed by the fact that all the functions of the national government at the sub-county level are managed by the sub-county officers.
- ix. In Regulation 15(2)(e), the Cabinet Secretary urged the Members of the National Assembly to allow the County Women Representatives to play a role in participating in appointing the ward representatives as no other fund is available for the County Women Representative.
- x. In Regulation 15(3), on the use of CDF Committee to provide administrative support in each constituency, the Cabinet Secretary clarified that initially the Fund was envisaged to be a one off Fund, hence the proposal. However, with a proposal for the Fund to be continuous, the Fund secretariat would be made independent with the availability of funds.
- xi. Under Regulation 16, the Cabinet Secretary requested that it remains as it was originally but only delete the word 'target' in 16(1)(f).
- xii. In Regulation 18(d), the Cabinet Secretary clarified that the Fund is not in isolation from other funds, and it aims at supporting enterprise activities for women and youth. She noted that some religious institutions have been very successful in supporting women and the youth and government is trying to strengthen such institutions.
- xiii. On the aspect of grant and loan, the Cabinet Secretary clarified that the youth had requested to be given grant to purchase equipments for their business and the loan be given as startup capital, such that even when they repay the loan, the business would still be up and running an aspect that has been found to be successful in other jurisdictions such as India.

- xiv. In Regulation 22(1)(v) on the aspect of table banking, the Cabinet Secretary requested that it remains as it is since it was modeled through successful groups operating in the Rift Valley. However, she proposed that an addition be made that ‘ and any other fund’ immediately after the words ‘table banking’
- xv. In Regulation 22 (1)(vii), the Cabinet Secretary noted that it is important to have the chiefs vetting groups as they would assist in recovery of the money. On the issue of corruption among the chiefs, she clarified that government was reforming the provincial administration and any such claims would not go unpunished.
- xvi. In Regulation 22(1)(b), the Cabinet Secretary urged that the religious institutions to also participate in the fund.

5.0 COMMITTEE’S OBSERVATIONS

The Committee considered its proposed amendments to the Fund and the responses given by the Cabinet Secretary and made the following observations that;

a). The Cabinet Secretary agreed with most of the Committee’s proposed amendments to the Regulations.

b). Establishment of the Board – Under Regulation 5

Regulation 5(2)(a)

The Committee noted that it is a practice that Cabinet Secretary nominates the chairpersons of such boards and the President appoints. Accordingly, Regulation 5(2)(a) be retained as per the draft Regulations.

Regulation 5(2)(d)

The Committee had proposed deletion of Regulation 5(2)(d) as it found no role for the Principal Secretary in the Ministry of Interior and Coordination of National Government. Though the Cabinet Secretary had proposed the retention of this Regulation, the Committee observed that Regulation 5(2)(d) be deleted.

c). National Champion and Patron - Regulation 12

The Committee had proposed that Regulation 12 be deleted so as to have the role of the President to be ceremonial in operation of Fund. However, the Committee observed that the Fund was established through the initiative of President and therefore his visibility in the Fund was necessary. In any event, the President's role is ceremonial under the Regulations. The Committee therefore agreed to retain this Regulation as per the draft Regulation.

d). County and Constituency Patron - Regulation 13.

The Committee observed that responsibilities of the County Women Representative and those of the Constituency Member of Parliament with regards to their roles as patrons be clearly defined. Accordingly, Regulation 13(2)(a) be amended by adding the word 'respectively' immediately after the word 'level' in the second line, and further by amending 13(2)(c) by inserting the words 'constituency and' immediately after the word 'appoint' and insert the word 'respectively' immediately after the word 'representatives'.

e). The Role of the Ministry - Regulation 14

Regulation 14(c) and 14(d)

The Committee observed that the provisions of Regulation 14(c) excludes the participation of the Constituency Uwezo Fund Management Committee with regard to capacity building of the Fund recipients and liaison with local business and corporate enterprises. This Regulation gives that responsibility

solely to the Ministry and its officials at the constituency level. Accordingly, the Committee observed that there was need for consultation between the Ministry and the Uwezo Fund Management Committee. In this regard, the Committee proposed the following words be inserted after the word offices 'and in consultation with Uwezo Fund Management Committee'. The same word to be inserted in 14(d), immediately before the word 'be' in the first line.

f). Establishment of Uwezo Fund Committee – Regulation 15.

The Committee observed that the sub-county development officer, and the sub-county accountant (under Regulation 15(2)(b) and (c)), may not have a role in Constituency Uwezo Fund Management Committee, whereas, the sub-county commissioner and the sub-county representative in charge of youth and women affairs (under Regulation 15(2) and(2)(d)) should be ex-officio members of the Committee.

The Committee further observed that the nomination of the ward representatives between the County Women Representatives and the Constituency Member of Parliament after consultation as worded under 15(2)(e) would lead to serious conflicts/misunderstanding between the two leaders. Therefore, the Committee observed that there is need to delete the following words 'following consultation between the County Women Representative of the National Assembly and' and replace with the word 'by'.

The Committee further observed that there is need to accommodate the County Women Representatives in the nomination of membership to the Constituency Uwezo Fund Management Committee. In this regard, the Committee agreed that there need to amend Regulation 15 by inserting a new Regulation 15(2)(f) to provide as follows; (f) **'Two representatives from the constituency nominated by the County Women Representative, one of whom should be a male youth and a woman'**.

g). Religious Institutions

Regulations 16(1)(d), (1)(f), (1)(g), 18(1)(d)(i), 18(3), 19(b), 22(1)(b)

The Committee observed that the religious institutions should not be included in the Fund as it would cause conflict among different religious institutions and further some individuals would benefit more than once from the Fund. The Committee observed that any reference to the word 'religious' be deleted in the relevant Regulations.

h). Fund Allocation – Regulation 18

Regulation 18(1)(d)(i) and (iii)

The Committee observed that the grant component of the fund that is 20% for religious institutions towards women and youth groups, and 20% grant to beneficiary groups is not desirable because it is tantamount to free money. The Committee observed that the grant component of the Fund should be captured as part of the loan, to be awarded as incentives/startup capital for groups. Accordingly, Regulation 18(1)(d)(i) and (iii) be amended accordingly so that the share of the Fund to the constituencies be treated as 100% loan.

6.0 COMMITTEE'S RECOMMENDATIONS

The Committee makes the following recommendations that;

1. Regulations: 5(1), 5(2)(a), 5(2)(b), 5(2)(c), 5(2)(g), 5(3(a), 5(3)(b), 5(3)(c), 5(4), 5(5), 5(6), 6(a), 6(b), 6(c), 6(d), 6(e), 6(f), 6(g), 6(h), 7, 8, 9, 10, 11(a), 11(b), 11(c), 11(d), 11(e), 11(2), 12, 13(1), 13(2)(b), 13(2)(d), 14(a), 14(b), 15(1)15(2)(a), 15(3), 15(4), 15(5), 15(6), 15(8), 16(1)(b), 16(1)(c), 16(1)(e), 16(1)(h), 16(1)(j), 16(2), 17, 18(1)(a), 18(1)(c), 18(1)(c)(ii), 18(2)(a), 18(2)(b), 18(2)(c), 19(a), 19(c), 19(d), 19(f), 21(2), 21(3), 21(4), 22(1)(a)(i), 22(1)(a)(ii), 22(1)(a)(iv), 22(1)(a)(vi), 22(1)(b)(i), 22(1)(b)(iii), 22(2)(a), 22(3), and 23 be retained as per the draft Regulations.
2. Regulation 5(2)(d) be deleted.

3. Regulation 5(2)(e) be amended to read 'Two persons who are male youth nominated by the National Youth Council and appointed by the Cabinet Secretary.
4. Regulation 5(2)(f) be amended to read 'Two persons who are female of whom should be a youth, nominated by the National Gender and Equality Commission and appointed by the Cabinet Secretary.
5. Regulation 5(2)(h) be deleted.
6. Regulation 6(i) and (j) be deleted.
7. Regulation 7, be amended by adding the following words immediately after 2013/2014 'Parliament shall to appropriate to the Fund in the subsequent financial years'.
8. Regulation 11(2)(f) be amended by deleting the words 'as he or she may consider to be' and replace therefore with the word 'for'.
9. Provide for sub-section (1) to Regulation 13.
10. Regulation 13(2)(a) be amended by adding the word 'respectively' immediately after the word 'level' in the second line.
11. Regulation 13(2)(c) be amended by inserting the words 'constituency and' immediately after the word 'appoint'.
12. Regulation 14(c) be amended by inserting the following words immediately after the word 'offices' in the first line 'in consultation with Constituency Uwezo Fund Management Committee'.
13. Regulation 14(d) be amended by inserting the following words before the word 'be' in the first line 'in consultation with Constituency Uwezo Fund Management Committee'.
14. Regulation 15(2)(a) be amended by adding the following words immediately after the word 'representative' 'who shall be ex-officio member'.
15. Regulation 15(2)(b) and (c) be deleted
16. Regulation 15(2)(d) be amended by adding the following words immediately after the word 'affairs' in the second line 'who shall be ex-officio member'.

17. Regulation 15(2)(e) be amended by deleting the following words 'following consultation between the County Women Representative of the National Assembly and' and replace therefore with the word 'by'
18. Regulation 15(2) be further amended by introducing a new subsection 15(2)(f) to provide as follows; (f) Two representative s from the constituency nominated by the County Women Representative, one of whom shall be a male youth'.
19. Regulation 15(2)(f) be amended by inserting the words 'nominated by a registered organization for people with disabilities in the constituency' immediately after the word 'constituency'.
20. Regulation 15(2)(g) be amended by deleting the words 'Constituency Development Fund Manager' immediately after the word 'the' and replacing therefore with the words 'officer in charge of youth and women affairs' under Regulation 15(2)(d) hereof and by deleting the words 'an ex-officio and' in the second line.
21. Regulation 15(2)(7) be deleted and replaced therefore with the following 'The sub-county representative of the national government Ministry responsible for youth and women affairs and other staff as may be posted by the Ministry responsible for youth and women affairs shall provide the necessary secretariat services to the Committee.
22. Regulation 16(1)(a) be amended by deleting the word 'targeted' immediately after the word 'the' in the first line.
23. Regulation 16(1)(d) be amended by deleting the word 'religious' immediately after the word 'from'.
24. Regulation 16(1)(f) be amended by deleting the word 'target' after the word 'qualified' in the first line and the word 'religious' immediately after the word 'and' in the second line.
25. Regulation 16(1)(g) be amended by deleting the word 'religious' immediately before the word 'institutions' in the third line.

26. Regulation 18(1)(b) be amended by deleting the words 'beneficiaries and target' in the second line and replacing therefore with the word 'beneficiary'.
27. Regulation 18(1)(d) be amended to adding the word ' as loan' immediately after the word 'share'.
28. Regulation 18(1)(d)(i)(ii)(iii) be deleted.
29. Regulation 18 be further amended by introducing a new Regulation 18(1)(e) to provide as follows; 'loans granted to beneficiary groups of the Fund under 18(1)(d) above will have a grant component of 25%, 15% and 10% of the first, second and third loans respectively.
30. Regulation 18(1)(e)(i) be amended by inserting the following words after the word application 'provided that the Committee shall ensure equitable distribution of funds in the wards'.
31. Regulation 18(2)(d) be amended by deleting the word 'financial' and replacing therefore with the word 'business'.
32. Regulation 18(3) be deleted.
33. Regulation 19(b) be amended by deleting the word 'religious'.
34. Regulation 19(e) be deleted.
35. Regulation 20(1) be amended by deleting the word 'interest' and replacing therefore with the words 'administrative fee' and by deleting the word 'component'.
36. Regulation 20(2) be deleted.
37. Regulation 21(1)(a)(b) and (c) be deleted.
38. Regulation 22(1)(a)(iii) be amended by deleting the word 'six' immediately after the word 'least' and replacing therefore with the word 'three'.
39. Regulation 22(1)(a)(v) be amended by inserting the words 'and/or any other group fund structure' immediately after the word 'structure' in the first line.
40. Regulation 22(1)(a)(vii) be deleted.

41. Regulation 22(1)(b) be amended by deleting the words 'a religious' and replacing them with the word 'an'.
42. Regulation 22(1)(b)(ii) be deleted.
43. Regulation 22(2)(b) be deleted.

ANNEX 1
MINUTES

**MINUTES OF THE MEETING OF THE COMMITTEE ON DELEGATED
LEGISLATION HELD ON MONDAY, OCTOBER 28, 2013, AT 2.30 PM AT
THE MEDIA CENTRE, PARLIAMENT BUILDINGS.**

PRESENT

1. Hon. William Cheptumo, MP - Chairperson
2. Hon. Joseph Gitari, MP - Vice-Chairperson
3. Hon. Paul K. Bii, MP
4. Hon. William K. Kisang, MP
5. Hon. Kabando wa Kabando, MP
6. Hon. Ibrahim Abdi Saney, MP
7. Hon. Abdikadir O. Ahmed, MP
8. Hon. Michael Kisoi Munyao, MP
9. Hon. Benard Shinali, MP
10. Hon. Rachael Ameso, MP
11. Hon. George Theuri, MP
12. Hon. John M. Waiganjo, MP
13. Hon. Agostino Neto, MP
14. Hon. Peter Karuma, MP
15. Hon. Elisha Busienei, MP
16. Hon. Eusilah J. Ngeny, MP

ABSENT WITH APOLOGY

1. Hon. Tim Wanyonyi, MP

ABSENT

1. Hon. Paul Koinange, MP
2. Hon. Yusuf Hassan, MP
3. Hon. Alfred Keter, MP
4. Hon. Mohamed Aden Huka, MP
5. Hon. Charles Gimose, MP
6. Hon. Victor Musau, MP
7. Hon. Richard Onyonka, MP
8. Hon. Nicholas Nixon, MP
9. Hon. Simba Arati, MP
10. Hon. Zainab Chidzuga, MP
11. Hon. T.J. Kajwang, MP
12. Hon. Marcus Muluvi, MP

IN-ATTENDANCE

1. Ms. Hellen Lokwang - Third Clerk Assistant
2. Ms. Esther Nginyo - Third Clerk Assistant
3. Ms. Lydia Makaka - Parliamentary Intern

MINUTE/CDL/20/2013

PRELIMINARIES

The Chairperson called the meeting to order at 2.50 pm. He briefed the Members on Committal of Uwezo Fund Regulations to the Committee on Delegated Legislation. He informed the Members that the Committee had to consider the Regulations and submit a report to the House 14 days from 22nd October, 2013, the date that the Speaker gave Communication on the matter at hand. Further, he reminded the Members on the Powers of the Committee as spelt out in Clause 13 of the Statutory Act and its mandate as outlined in the Standing Orders 210.

MINUTE/CDL/21/2013 REGULATIONS

CONSIDERATION OF UWEZO FUND

Members agreed to read through the Regulations together considering the limited time the Committee had to table the Report in the House.

The following were the Committee considerations on the Public Finance Management (Uwezo Fund) Regulations, 2013:

- Regulations 1, 2, 3 and 4 consisting of citation, interpretation, establishment of the fund and object of the fund respectively were not changed except in 4, **provide sub-section 1.**
- Under Regulation 5 (2a), the Committee proposed that – **the Parliamentary approval of the Chairperson is necessary.** This regulation be amended as so.
- The Committee proposed to delete Regulation 5(2d). The Committee saw no **relevance/role for the Ministry of Interior and National Coordination in the Fund Board.**
- The Committee noted that Regulation 5(2e) did not clearly define the two (2) persons to be appointed by the Cabinet Secretary. The Committee further proposed that Regulation 5(2e & 2f) **be merged and a clear description be made of those to be appointed and to include the youth in the appointment in that particular sub-section.**
- Under Regulation 5(2h), the Committee proposed **to amend the representation by religious institutions to avoid conflict from other religious organizations that would be left out in the appointment and replace with**

representative from a registered national professional body appointed by the Cabinet Secretary.

- Regulation 5(3)- the Committee proposed that the composition of the Board as envisaged under 5(2)(a-h) and with qualifications under 5(3)(a-c) should encompass the youth.
- Under Regulation 6, provide for sub-section 1. Under (1i and 1j), the Committee proposed that they be deleted as they were repetitions. It is the Committee's view that what (i and j) intended to achieve is taken care of under 6(1)(a).
- Under Regulation 7, the Committee proposed that an inclusion be made that Parliament to appropriate to the fund every year. There is need for the Uwezo Fund Initiative to grow annually.
- Under Regulation 10, the specific regulations and procedures be specified as it was too general. The cabinet Secretary would explain to the Committee on the existing government regulations referred to under this regulation.
- Under Regulation 11(2f), the Committee proposed to delete the words 'as he or she may consider to be' and replace with 'for'. The words used appear to give general discretion to the Accounting Officer, which can easily be misused.
- Members deliberated in depth Regulation 12 on the inclusion of the President as the National Champion and Patron of the fund in the regulations proposed to delete the entire Regulation 12 as it did not add value to the Fund. The Committee is of the view that the President be purely ceremonial. The President policy direction on the Fund be owned by the Board. This will shield the President from direct involvement in policy formulation, performance and implementation. This will also shield the President from any consequences of performance and implementation of the Fund. The Cabinet Secretary to explain the import of Regulation 12.

MINUTE/CDL/22 /2013

ANY OTHER BUSINESS

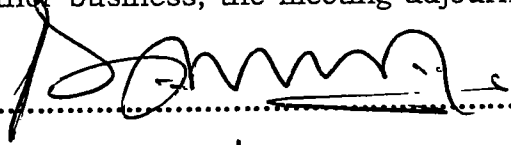
The Committee resolved that it was important to review the materials used in generating the Regulations and directed that the Cabinet Secretary in the Ministry of Devolution be requested to provide the said materials.

Members agreed that it was important to engage the County Women Representative in the consideration of the Regulations.

Members were informed that there was a Gazette Notice by the National Land Commission with issues that the Committee needed to be seized of.

MINUTE/CDL/23/2013 ADJOURNMENT

There being no other business, the meeting adjourned at Thirty Three Minutes past Five O'clock.

Sign..... 

Chairperson

Date..... 11th Nov. 2013

**MINUTES OF THE MEETING OF THE COMMITTEE ON DELEGATED
LEGISLATION HELD ON TUESDAY, OCTOBER 29, 2013, AT 10.00 AM IN
CONTINENTAL HOUSE, 5TH FLOOR, PARLIAMENT BUILDINGS.**

PRESENT

1. Hon. William Cheptumo, MP - Chairperson
2. Hon. Joseph Gitari, MP - Vice-Chairperson
3. Hon. William Kisang, MP
4. Hon. Benard Shinali, MP
5. Hon. Paul K. Bii, MP
6. Hon. Simba Arati, MP
7. Hon. Kabando wa Kabando, MP
8. Hon. John M. Waiganjo, MP
9. Hon. Elisha Busienei, MP
10. Hon. Tim W. Wetangula, MP
11. Hon. Zainab K. Chidzuga, MP
12. Hon. Charles Gimose, MP
13. Hon. Hassan Adan, MP
14. Hon. Michael Kisoi, MP

ABSENT

1. Hon. Yusuf Hassan, MP
2. Hon. Paul Koinange, MP
3. Hon. George Theuri, MP
4. Hon. Alfred Keter, MP
5. Hon. Eusilah Jepkosgei, MP
6. Hon. Mohammed Aden Huka, MP
7. Hon. Shadrack Manga, MP
8. Hon. Vincent Musau, MP
9. Hon. Richard Onyonka, MP
10. Hon. Nicholas Nixon, MP
11. Hon. Rachael Ameso, MP
12. Hon. Saney Abdi Ibrahim, MP
13. Hon. Agostino Neto, MP
14. Hon. Marcus Muluvi, MP
15. Hon. T.J. Kajwang, MP

IN-ATTENDANCE

KENYA NATIONAL ASSEMBLY

1. Ms. Esther Nginyo - Third Clerk Assistant

2. Ms. Lydia Makaka - Parliamentary Intern

MINUTE/CDL/24/2013 PRELIMINARIES

The Chairperson called the meeting to order at 10.30 am. He invited the Members to continue with the Consideration of the Uwezo Fund Regulations.

MINUTE/CDL/25/2013 CONSIDERATION OF UWEZO FUND REGULATIONS

The Committee made the following considerations;

- Under Regulation 13, the Committee observed that sub-section (1) was missing. The Committee further proposed to replace 'Member of Parliament' with 'Member of the National Assembly'.
- Under Regulation 13 (2), the Committee proposed that the responsibilities of the County Women Representative and those of the Member of the National Assembly be clearly and distinctly stated. The County Women Representative is a patron of the Fund at the county level, while the Member of the National Assembly of the Constituency is the patron of the Fund at the Constituency level. How then does the county MP appoint members of the Constituency Uwezo Committee as envisage under Regulation 13(2)(c)? The Women Representative would be a patron of which Uwezo Fund Committee at the county level?
- The Committee proposed that the word 'respectively' be added to Regulation 13(2a) to read 'provide linkage between the Fund and the public at the county and constituency level respectively.'
- Under Regulation 14, include sub-section 1. The Committee proposed that the roles of the Ministry as spelt out in sub-section 14(c and d) be done in consultation with Uwezo Fund Constituency Committee. The Ministry should encourage constant consultations with the Uwezo Fund Management Committee to avoid conflict. In this regard, under (c) the following words be inserted immediately after the word 'offices' in the first line 'and in consultation with Constituency Uwezo Fund Management Committee'. The same with (d), immediately before the word 'be' in the first line.

Under Regulation 15, the Committee proposed the following;

- That sub-section (2b) and (2c) be deleted
- That the officers in sub-section (2a and 2d) be ex-officio.

- The Committee proposes removal of the words 'following consultations between County Women Representative'. This would be difficult to achieve consensus in the consultation with regard to nomination of the members of the Committee between the Women Representative and the Constituency Member of the National Assembly. Further, a provision be made under the same (2e) that each constituency should have at least a total of 5 representatives from the wards. This will take care of constituencies with few wards.
- That under (2f) to include the nominating body to read as follows " one person with disability per Constituency nominated by a registered organization for people with disabilities"
- That sub-section 2g be deleted and instead, the secretary of the Committee to be the officer in charge of the youth and women affairs under (2d).
- That the Committee would discuss Regulation 15(3) and 15(7) with the Cabinet Secretary, Ministry of Devolution and Planning on the need to separate the Uwezo fund from the Constituency Development Fund. The Committee emphasized the need to consider the possibility of having a separate secretariat within the the Ministry in Charge of Youth and Women Affairs at the constituency level. The Ministry to post adequate staff in the Constituencies to form the secretariat and provide secretariat and administrative services as envisaged under 15(3 and 7).

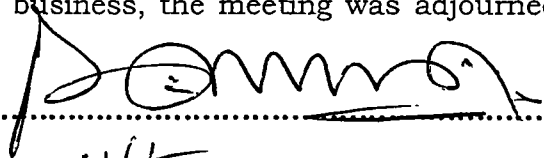
The Committee agreed that it was important to discuss with the Cabinet Secretary on the disbursement and proper management of the Uwezo Fund as the indication on the ground was that the money was for free.

MINUTE/CDL/26/2013 ANY OTHER BUSINESS

Members were urged to be beyond reproach while conducting the business of the Committee.

MINUTE/CDL/27/2013 ADJOURNMENT

There being no other business, the meeting was adjourned at six Minutes past One O'clock.

Sign.....

Chairperson

Date.....11th Nov 2013

**MINUTES OF THE MEETING OF THE COMMITTEE ON DELEGATED
LEGISLATION HELD ON THURSDAY, OCTOBER 31, 2013, AT 10.00 AM IN
SMALL DINING, PARLIAMENT BUILDINGS.**

PRESENT

1. Hon. William Cheptumo, MP - Chairperson
2. Hon. Joseph Gitari, MP - Vice-Chairperson
3. Hon. John Waiganjo, MP
4. Hon. George Theuri, MP
5. Hon. Kabando wa Kabando, MP
6. Hon. Elisha Busienei, MP
7. Hon. Alfred Keter, MP
8. Hon. Eusilah Jepkosgei, MP
9. Hon. Hassan Aden, MP
10. Hon. Paul Bii, MP
11. Hon. Mohamed Aden Huka, MP
12. Hon. William Kisang, MP
13. Hon. Bernard Shinali, MP
14. Hon. Charles Gimose, MP
15. Hon. Nicholas Nixon, MP
16. Hon. Michael Kisoi, MP
17. Hon. Saney Abdi Ibrahim, MP
18. Hon. Zainab Chidzuga, MP
19. Hon. Simba Arati, MP
20. Hon. Neto Agostino, MP
21. Hon. Marcus Muluvi, MP

ABSENT WITH APOLOGY

1. Hon. Paul Koinange, MP

ABSENT

1. Hon. Yusuf Hassan, MP
2. Hon. Shadrack Manga, MP
3. Hon. Vincent Musau, MP
4. Hon. Richard Onyonka, MP
5. Hon. Rachel Ameso, MP
6. Hon. Wetangula Timothy Wanyonyi, MP
7. Hon. T.J. Kajwang, MP

IN-ATTENDANCE

1. Ms. Esther Nginyo - Third Clerk Assistant
2. Ms. Lydia Makaka - Parliamentary Intern

MINUTE/CDL/28/2013

PRELIMINARIES

The Chairperson called the meeting to order at 10.30 am. He urged the Members to endeavour to clearing consideration for the Uwezo Fund Regulations.

**MINUTE/CDL/29/ 2013
REGULATIONS**

CONSIDERATION OF UWEZO FUND

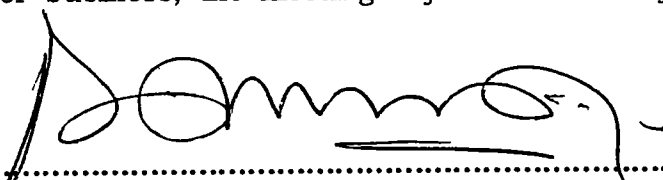
The Committee made the following considerations:

- Under Regulation 16, the Committee proposed to delete the word 'Religious' in (1)(d), (1)(f) and (1)(f). Further, the Committee proposed to delete the word 'Target' in (1)(f).
- The Committee deliberated Regulation 17 extensively and agreed to retain it as it was.
- Under Regulation 18(1)(d), the Committee deliberated on issue of giving grant to religious institutions and agreed that it was unconstitutional to give government money to religious organization as it would be a source of conflict and some groups would benefit more than once from the fund. The Committee proposed to add the words 'as loan' immediately after the word share in (d) and to delete sub-section (1)(d)(i), (1)(d)(ii) and (1)(d)(iii) with an amendment that the loan be 100% of the Constituency share.
- Under 18(b) delete the words 'and target' and amend the word 'beneficiaries' to read 'beneficiary' on the second line.
- Under Regulation 18 (1)(e)(i) the Committee proposed a provision to be added that; provided that the Committee shall ensure equal distribution of funds in the wards.
- Under Regulation 18(2)(d) the Committee proposed the word 'financial' be deleted and be replaced by 'business'.
- The Committee proposed that Regulation 18(3) be deleted for reasons specified under 18(1)(d)- unconstitutional give government money to religious organizations.

MINUTE/CDL/30/2013

ADJOURNMENT

There being no other business, the meeting adjourned at Forty Five minutes past Eleven O'clock.



Sign.....

Chairperson

11th NOV 2013

Date.....

**MINUTES OF THE MEETING OF THE COMMITTEE ON DELEGATED
LEGISLATION HELD ON TUESDAY, NOVEMBER 5, 2013, AT 9.00 AM IN
CONTINENTAL HOUSE, 5TH FLOOR, PARLIAMENT BUILDINGS.**

PRESENT

1. Hon. William Cheptumo, MP - Chairperson
2. Hon. Joseph Gitari, MP - Vice-Chairperson
3. Hon. John Waiganjo, MP
4. Hon. Paul Koinange, MP
5. Hon. George Theuri, MP
6. Hon. Kabando wa Kabando, MP
7. Hon. Elisha Busienei, MP
8. Hon. Alfred Keter, MP
9. Hon. Eusilah Jepkosgei, MP
10. Hon. Hassan Aden, MP
11. Hon. Paul Bii, MP
12. Hon. Mohamed Aden Huka, MP
13. Hon. William Kisang, MP
14. Hon. Bernard Shinali, MP
15. Hon. Eng. Shadrack Manga, MP
16. Hon. Charles Gimose, MP
17. Hon. Michael Kiso Manthi, MP
18. Hon. Simba Arati, MP
19. Hon. Wetangula Timothy Wanyonyi, MP
20. Hon. Marcus Mutua Muluvi, MP

ABSENT

1. Hon. Yusuf Hassan, MP
2. Hon. Vincent Musau, MP
3. Hon. Richard Onyonka, MP
4. Hon. Nicholas Nixon, MP
5. Hon. Rachel Ameso, MP
6. Hon. Saney Abdi Ibrahim, MP
7. Hon. Zainabu Chidzuga, MP
8. Hon. Neto Agostino, MP
9. Hon. T.J. Kajwang, MP

IN-ATTENDANCE

**KENYA NATIONAL ASSEMBLY
FRIENDS OF THE COMMITTEE**

1. Hon. Mary Seneta, MP
2. Hon. Gladys Wanga, MP

3. Hon. Fatuma Ibrahim, MP
4. Hon. Cecilia Ngetich, MP

STAFF

1. Ms. Esther Nginyo - Third Clerk Assistant
2. Ms. Lydia Makaka - Parliamentary Intern

MINISTRY OF DEVOLUTION AND PLANNING

1. Ms. Anne Waiguru - Cabinet Secretary
2. Eng. Peter Mangiti - Principal Secretary
3. Mr. Timothy Gakuu - Director, Youth
4. Ms. Faith Kasiva - Advisor, Gender
5. Mr. Erastus Wamugo - Advisor, Devolution
6. Mr. Arnolda Shiundu - Advisor, youth
7. Ms. Katherine Muoki - Director, Gender
8. Ms. Wanjiku wakogu

MINUTE/CDL/36/2013

PRELIMINARIES

The Chairperson called the meeting to order at 9.39 am. A word of prayer was said by Hon. Mohamed Aden Huka, MP. He informed the Members that the Committee had received the materials that were considered in drafting the Uwezo Fund Regulations and invited them to read through and understand what informed the Fund regulations draft.

MINUTE/CDL/37/2013 ISSUES RAISED FROM THE MATERIALS - IMPLEMENTATION OF THE FUND THROUGH CONSTITUENCY DEVELOPMENT FUND

Members extensively deliberated on the issue of considering using the existing CDF Ward Committees in the constituencies to handle the vetting process. instead of reconstituting new vetting committees and to also consider those who were left out during the election of . Members proposed that the CDF ward Committees could consider those who were left out in the nominations however, the issue in question should not be made legal and mandatory.

MINUTE/CDL/38/2013 PRESENTATION FROM THE CABINET SECRETARY, MINISTRY OF DEVOLUTION AND PLANNING

The Cabinet Secretary, Ministry of Devolution and Planning appeared before the Committee and made the following submissions;

- i. The Committee had proposed in Regulation 5(2)(a) that the Chairperson of the Board be approved by Parliament - the Cabinet Secretary informed the

- Committee that the proposal was not in line with the practice of other existing funds whereby the President appoints the Board Chairperson.
- ii. That Committee had proposed that in Regulation 5(2)(d) be deleted it found no role of the Ministry of Interior and National in the Fund Board. The Cabinet Secretary clarified that it is government's practice that any project cutting across various Ministries at the lower level, those Ministries are involved/represented at the Board level. The Ministry of Interior and Government Coordination is currently being restructured to coordinate all the government functions at the grass root.
 - iii. The Cabinet Secretary agreed with the Committee proposal that Regulation 5(2)(e) and 5(2)(f) be merged and a clear description of those appointed be made including the youth in the appointment in those particular sub-sections.
 - iv. In Regulation 10, the Cabinet Secretary clarified that the Government Regulations and Procedures applicable under this Fund is the Public Finance Management Act, 2012 as it was the only Act that gives power to the Cabinet Secretary to establish a national government public fund with the approval of the National Assembly.
 - v. In Regulation 12, the Cabinet Secretary informed the Committee that the role of the National Champion and Patron remains for visibility of the President since the fund was established from a political promise.
 - vi. In Regulation 13(2), the Cabinet Secretary informed the Committee that there will be no Uwezo Fund Committee at the County level to avoid duplication of roles at the county and constituency level. Further, the Cabinet Secretary clarified that establishing the committee at the county level would require engaging with the county governors, whereas the fund is a function of the national government but implemented through sub-county level.
 - vii. In Regulation 14(1)(b and c), on the proposal that the Ministry to be consulting with the Uwezo Fund Constituency Committee, the Cabinet Secretary clarified that it was important to have the Ministry deal with the policy issue and formulation while the constituency committees should concentrate with the day to day running of the fund on the ground. This is informed by the fact that the Board is accountable at the policy level and not at the constituency level.
 - viii. The Cabinet Secretary indicated that Regulation 15(2)(b and c) be retained since government fund is implemented by government officers. This is informed by the fact that all the functions of the national government at the sub-county level are managed by the sub-county officers.
 - ix. In Regulation 15(2)(e), the Cabinet Secretary urged the Members of the National Assembly to allow the County Women Representatives to play a role in participating in appointing the ward representatives as no other fund is available for the County Women Representative.
 - x. In Regulation 15(3), on the use of CDF Committee to provide administrative support in each constituency, the Cabinet Secretary clarified that initially the fund was envisaged to be a one off fund, hence the proposal. However, with a

proposal for the fund to be continuous, the Fund secretariat would be made independent with the availability of funds.

- xi. Under Regulation 16, the Cabinet Secretary requested that it remains as it was originally but only delete the word 'target' in 16(1)(f).
- xii. In Regulation 18(d), the Cabinet Secretary clarified that the fund is not in isolation from other funds, and it aims at supporting enterprise activities for women and youth. She noted that some religious institutions have been very successful in supporting women and the youth and government is trying to strengthen such institutions.
- xiii. On the aspect of grant and loan, the Cabinet Secretary clarified that the youth had requested to be given grant to purchase equipments for their business and the loan be given as startup capital, such that even when they repay the loan, the business would still be up and running an aspect that has been found to be successful in other jurisdictions such as India.
- xiv. In Regulation 22(1)(v) on the aspect of table banking, the Cabinet Secretary requested that it remains as it is since it was modeled through successful groups operating in the Rift Valley. However, she proposed that an addition be made that ' and any other fund' immediately after the words 'table banking'
- xv. In Regulation 22 (1)(vii), the Cabinet Secretary noted that it is important to have the chiefs vetting groups as they would assist in recovery of the money. On the issue of corruption among the chiefs, she clarified that government was reforming the provincial administration and any such claims would not go unpunished.
- xvi. In Regulation 22(1)(b), the Cabinet Secretary urged that the religious institutions to also participate in the fund.

MINUTE/CDL/39/2013

COMMITTEE'S CONCERN

The Committee was concerned on the following issues;

- The constitutionality of government being given to churches - The issue was clarified that the constitution did not provide that the state cannot use religious establishments to propagate its ideals.
- The responsibilities of the County Women Representatives, whether pivotal or ceremonial and any possible political conflicts - The issue was clarified that the County Women Representatives would be patrons at the county level and members further urged to allow them to be ex-officio members at constituency level for visibility purposes.
- The issue of chiefs in the urban areas vetting groups considering people migration in and out of such areas - Clarifications were given that with the 'Nyumba Kumi Initiative' the issue will be resolved as residents data base will be given to the government.

- The issue of existence of other funds such as the youth Enterprise Fund and Women Enterprise Fund with the challenges faced as a result of the intermediaries, whether such challenges would affect the Uwezo Fund. Clarification was given that Uwezo Fund was structure to benefit members of the society at the lowest level and hence such challenges were not anticipated.
- The issue of capacity building and who would conduct it. Clarification was given that the services have been advertized for already. Before the fund is rolled out, there will be capacity building and proper documentation required from the groups.

MINUTE/CDL/40/2013

ANY OTHER BUSINESS

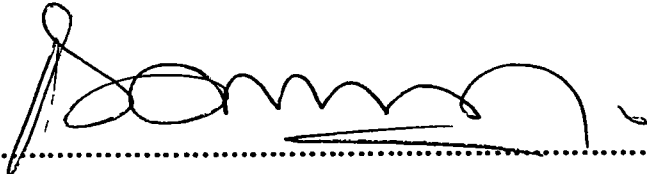
The Cabinet Secretary and her group thanked the Committee for the deliberations they had on Uwezo Fund Regulations and urged it to consider their proposals favourably.

The county Women Representative sought the Committee consideration on the issues they brought before it in their involvement in the Fund.

MINUTE/CDL/41/2013

ADJOURNMENT

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

Sign.....

Chairperson

Date.....11th Nov 2013

**MINUTES OF THE MEETING OF THE COMMITTEE ON DELEGATED
LEGISLATION HELD ON THURSDAY, OCTOBER 31, 2013, AT 4.30 PM IN
SMALL DINING, PARLIAMENT BUILDINGS.**

PRESENT

1. Hon. William Cheptumo, MP - Chairperson
2. Hon. Joseph Gitari, MP - Vice-Chairperson
3. Hon. John Waiganjo, MP
4. Hon. Kabando wa Kabando, MP
5. Hon. Alfred Keter, MP
6. Hon. Eusilah Jepkosgei, MP
7. Hon. Paul Bii, MP
8. Hon. Bernard Shinali, MP
9. Hon. Charles Gimose, MP
10. Hon. Michael Kisoi, MP
11. Hon. Saney Abdi Ibrahim, MP
12. Hon. Simba Arati, MP
13. Hon. Neto Agostino, MP
14. Hon. Wetangula Timothy Wanyonyi, MP

ABSENT WITH APOLOGY

1. Hon. Paul Koinange, MP

ABSENT

1. Hon. Yusuf Hassan, MP
2. Hon. Shadrack Manga, MP
3. Hon. Vincent Musau, MP
4. Hon. Richard Onyonka, MP
5. Hon. Rachel Ameso, MP
6. Hon. T.J. Kajwang, MP
7. Hon. George Theuri, MP
8. Hon. Elisha Busienei, MP
9. Hon. Hassan Aden, MP
10. Hon. Mohamed Aden Huka, MP
11. Hon. Nicholas Nixon, MP
12. Hon. Zainab Chidzuga, MP
13. Hon. Marcus Muluvi, MP
14. Hon. William Kisang, MP

IN-ATTENDANCE

FRIENDS OF THE COMMITTEE

1. Hon. Kenneth Okoth, MP
2. Hon. Abdikadir Ore, MP

STAFF

1. Ms. Esther Nginyo - Third Clerk Assistant
2. Ms. Lydia Makaka - Parliamentary Intern

MINUTE/CDL/31/2013

PRELIMINARIES

The Chairperson called the meeting to order at 4.30 pm. He invited Members to continue with the consideration for the Uwezo Fund Regulations.

MINUTE/CDL/32 / 2013 REGULATIONS

CONSIDERATION OF UWEZO FUND

The Committee made the following considerations:

- Under Regulation 19, **the Committee noted that sub-section (1) was missing and needed to be provided for.**
- The Committee proposed the word **'religious'** be deleted under Regulation 19(1)(b).
- The Committee further proposed that Regulation 19(1)(e) be deleted. **This regulation is taken care of by the provisions of regulations 6 hereof which outlines the functions of the Board.**
- Under Regulation 20(1) the Committee proposed **that the word 'interest' be deleted and replaced with the word 'administrative fee' for the sake of the citizen who profess the Muslim faith.** Further, Committee proposed the word **'component'** be deleted as per the proposal for the grant was deleted **leaving only one loan fund. Hence no need for the word 'component'.**
- The Committee proposed that Regulation 20(2) be deleted.
- Under Regulation 21(1), the Committee proposed that the entire sub-section be deleted as it negates the provisions of 21(2). Sub-section (2) fixes the grace period and the repayment period of the loan. Hence, no need to provide for the term of the loan repayment under 21(1)(a-c).

- The Committee proposed to delete the word 'element' under 22(2) as there is only one Fund loan.
- Under Regulation 22(1)(iii), the Committee proposed the period of a group existence for qualification for the fund be reduced to three months from six months.
- The Committee further proposed that the word 'table banking' be deleted from Regulation 22(1)(v).
- Further, the Committee proposed that Regulation 22()(vii) be deleted. In involving the chiefs would encourage corruption and abuse of office especially where the chiefs are not in good terms with the groups or their leaders for various reasons including political reasons and other differences.
- The Committee proposed that Regulation 22(1)(b) the word ' a religious' be deleted and be replaced with the word 'an' and delete 22(1)(b)(ii) as per the earlier proposal under Regulation 16(1)(d)(f)(g).
- The Committee further proposed that Regulation 22(2)(b) be deleted as subsection (2)(a) was sufficient commitment for the applicants. Seeking further reference letters as anticipated under (b) would over-burden the applicants.

MINUTE/CDL/33/2013 CONTRIBUTIONS FROM HON. JOHN OLAGO ALUOCH, MP

Members welcomed the contribution from Hon. Olago's contributions to the Uwezo Fund Regulations as they were in line with what the Committee had proposed except in Clause 15(2) where the Committee agreed that the minimum number of representatives in the constituency to be 5.

The Committee resolved that the Member's contributions be acknowledged through a letter and on the floor of the House when the report will be tabled:


MINUTE/CDL/34/2013 ANY OTHER BUSINESS

The Members agreed that the Cabinet Secretary for Devolution and Planning be invited for the Committee to present its position on the Uwezo Fund Regulations.

Hon. Kabando wa Kabando withdrew his proposal that the County Women Representatives be invited to discuss on Uwezo Fund Regulations with the Committee.

The Members agreed that the County Women Representative be an ex-officio of the fund and play an advisory role.

There being no other business, the meeting adjourned at Thirty Six minutes past Five O'clock.

Sign.....

Chairperson

Date..... 11 / 11 / 2013

**MINUTES OF THE MEETING OF THE COMMITTEE ON DELEGATED
LEGISLATION HELD ON WEDNESDAY, NOVEMBER 6, 2013, AT 10.00 AM
IN CONTINENTAL HOUSE, 4TH FLOOR, PARLIAMENT BUILDINGS.**

PRESENT

1. Hon. William Cheptumo, MP - Chairperson
2. Hon. John Waiganjo, MP
3. Hon. Paul Koinange, MP
4. Hon. George Theuri, MP
5. Hon. Kabando wa Kabando, MP
6. Hon. Elisha Busienei, MP
7. Hon. Alfred Keter, MP
8. Hon. Eusilah Jepkosgei, MP
9. Hon. Hassan Aden, MP
10. Hon. Paul Bii, MP
11. Hon. Mohamed Aden Huka, MP
12. Hon. William Kisang, MP
13. Hon. Bernard Shinali, MP
14. Hon. Eng. Shadrack Manga, MP
15. Hon. Charles Gimose, MP
16. Hon. Vincent Musau, MP
17. Hon. Peter Karuma, MP
18. Hon. Nicholas Nixon, MP
19. Hon. Michael Kiso Manthi, MP
20. Hon. Rachel Ameso, MP
21. Hon. Saney Abdi Ibrahim, MP
22. Hon. Zainabu Chidzuga, MP
23. Hon. Simba Arati, MP
24. Hon. Netp Agostino, MP
25. Hon. Wetangula Timothy Wanyonyi, MP
26. Hon. Marcus Mutua Muluvi, MP

ABSENT

1. Hon. Joseph Gitari, MP - Vice-Chairperson
2. Hon. Yusuf Hassan, MP
3. Hon. T.J. Kajwang, MP

IN ATTENDANCE

KENYA NATIONAL ASSEMBLY

1. Ms. Esther Nginyo - Third Clerk Assistant
2. Ms. Lydia Makaka - Parliamentary Intern

MINUTE/CDL/42/2013**PRELIMINARIES**

The Chairperson called the meeting to order at 10.27 am. A word of prayer was said by Hon. Vincent Musau, MP.

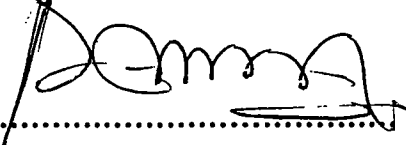
MINUTE/CDL/43/2013**CONSIDERATION OF THE SUBMISSIONS BY THE CABINET SECRETARY, MINISTRY OF DEVOLUTION AND PLANNING**

The Committee considered the submission by the Cabinet Secretary and agreed that;

- i. Regulations 1, 2, and 3 as they are in the original draft regulations. In Regulation 4, the Committee agreed, that sub-section 1 be added.
- ii. Regulation 5(1)(a) be retained as it is in the original draft.
- iii. Regulation 5(2)(d) be deleted.
- iv. Regulation 6(1)(i and j) be deleted.
- v. Regulation 10 be retained as it is in the original draft.
- vi. Regulation 12 be retained as it is in the original draft.
- vii. Regulation 13(1) be retained as it is in the original draft.
- viii. Regulation 14 (c and d) be retained as the Committee's proposal - that the Ministry in charge of Youth and Women affairs consult with Uwezo Fund Constituency Committees.
- ix. Regulation 15(2)(b and c) be retained as per the Committee's proposal - to be deleted.
- x. Regulation 15(2)(e) there should be no consultation between the Constituency Member of the National Assembly and the County Women Representative on appointment of the ward representatives. However, the MP would appoint five county representatives and the CWR would appoint one member per constituency.
- xi. In line with proposal in 15(2)(e), the word 'constituency and' be added to Regulation 13(2)(c) be added before the 'Ward'.
- xii. Regulation 15(3) and 15(7) be retained as they are in the original draft.
- xiii. Regulation 16 to be retained as per the Committee's proposal.
- xiv. Regulation 18(d) be retained as per the Committee's proposal on the issue of religious institutions. However, the Committee proposed that the grant be retained and be issued as follows; 25% of the first loan be given as grant. On the second loan and upon repayment of the first loan, 15% be issued as grant and on the 3rd loan, 10% be given as final grant to the group. The grants to be incentives to the groups.

MINUTE/CDL/44/2013 ADJOURNMENT

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

Signed:.....

Date:..... 11th NOV-2013

(Chairperson)

**MINUTES OF THE MEETING OF THE COMMITTEE ON DELEGATED
LEGISLATION HELD ON WEDNESDAY, NOVEMBER 6, 2013, AT 5.30 PM
IN CONTINENTAL HOUSE, 4TH FLOOR, PARLIAMENT BUILDINGS.**

PRESENT

1. Hon. William Cheptumo, MP - Chairperson
2. Hon. George Theuri, MP
3. Hon. Kabando wa Kabando, MP
4. Hon. Elisha Busienei, MP
5. Hon. Alfred Keter, MP
6. Hon. Eusilah Jepkosgei, MP
7. Hon. Hassan Aden, MP
8. Hon. William Kisang, MP
9. Hon. Bernard Shinali, MP
10. Hon. Eng. Shadrack Manga, MP
11. Hon. Charles Gimose, MP
12. Hon. Rachel Ameso, MP
13. Hon. Saney Abdi Ibrahim, MP
14. Hon. Zainab Chidzuga, MP
15. Hon. Simba Arati, MP
16. Hon. Neto Agostino, MP
17. Hon. Wetangula Timothy Wanyonyi, MP
18. Hon. Kenneth Okoth, MP

ABSENT

1. Hon. Joseph Gitari, MP - Vice-Chairperson
2. Hon. John Waiganjo, MP
3. Hon. Yussuf Hassan, MP
4. Hon. Paul Koinange, MP
5. Hon. Paul Bii, MP
6. Hon. Mohamed Aden Huka, MP
7. Hon. Vincent Musau, MP
8. Hon. Peter Karuma, MP
9. Hon. Nicholas Nixon, MP
10. Hon. Michael Kisoi Manthi, MP
11. Hon. Zainabu Chidzuga, MP
12. Hon. Marcus Mutua Muluvi, MP
13. Hon. T.J. Kajwang, MP

IN ATTENDANCE

FRIENDS OF THE COMMITTEE

1. Hon. Dr. Christine Ombaka, MP

KENYA NATIONAL ASSEMBLY

- 1. Ms. Esther Nginyo - Third Clerk Assistant
- 2. Ms. Lydia Makaka - Parliamentary Intern

MINUTE/CDL/45/2013 PRELIMINARIES

The Chairperson called the meeting to order at 6.13 pm and invited the Members to conclude deliberating on the submission by the Cabinet Secretary, Ministry of Devolution and Planning.

MINUTE/CDL/46/2013 SUBMISSION BY THE CABINET SECRETARY, DEVOLUTION AND PLANNING

The Committee considered the submission by the Cabinet Secretary and agreed that;

- i. Regulation 21(1) be deleted.
- ii. Regulation 22(1)(v) be retained as it is in the original draft, however an amendment be made to include the words ' and any other fund' after the words ' table banking'.
- iii. Regulation 22(1)(vii) be deleted.
- iv. Regulation 22(1)(b) be deleted.
- v. Regulation 22(2)(b) be deleted.

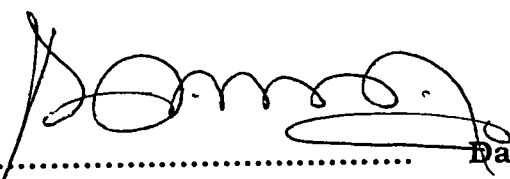
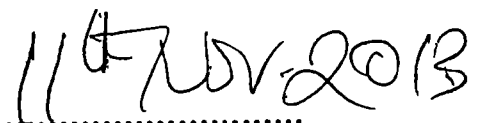
MINUTE/CDL/47/2013 ANY OTHER BUSINESS

Members applauded the unity of purpose shown while dealing with the issue of the Uwezo Fund Regulations especially with the consensus building between the Members of the National Assembly and the County Women Representatives.

Members agreed that there was need in the future, for the fund to cater for individual business people especially in rural areas as not everyone was comfortable working in groups.

MINUTE/CDL/48/2013 ADJOURNMENT

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

Signed:.......... Date:..........

(Chairperson)

ANNEX 2

UWEZO FUND

DRAFT

REGULATIONS

THE PUBLIC FINANCE MANAGEMENT ACT
(No. 18 of 2012)

IN EXERCISE of the powers conferred by section 24(4) and (11) of the Public Finance Management Act, 2012, the Cabinet Secretary for the National Treasury makes the following Regulations –

THE PUBLIC FINANCE MANAGEMENT (UWEZO FUND)
REGULATIONS, 2013

Citation. 1. These Regulations may be cited as the Public Finance Management (Uwezo Fund) Regulations, 2013.

Interpretation. 2. In this Regulations, unless the context otherwise requires-

No. 18 of 2012. "Act" means the Public Finance Management Act, 2012;

"administrator of the Fund" means a person designated as such under regulation 11 of this Regulations;

"Board" means the Uwezo Fund Oversight Board established under regulation 3 of these Regulations;

"Cabinet Secretary" means the Cabinet Secretary for the time being responsible for matters relating to youth and women affairs;

"eligible administrative cost" means administrative expenditure allowable as determined by the Board;

"evaluation criteria" means criteria used to evaluate group applications under these Regulations;

"Ministry" means the Ministry for the time being responsible for matters relating to youth and women affairs;

"table banking" means group based financial transactions usually governed by rules set out by the group and where such transactions, including deposits, contributions, payments and loans issuance are done during the meeting of the group with all members present;

"youth" has the meaning assigned to it under Article 260 of the Constitution; and

“woman” means a person of the female gender who is above 18 years of age.

Establishment of the Fund.

3. (1) There is established a Fund to be known as the Uwezo Fund.

(2) The Fund shall consist of-

- (a) monies appropriated by Parliament;
- (b) grants and donations;
- (c) income generated from the proceeds of the Fund.

(3) There shall be paid out of the Fund payments in respect of any expenses incurred in pursuance of the objects and purposes for which the Fund is established.

Objects and purpose of the Fund.

4. The objects and purpose for which the Fund is established are-

- (a) to expand access to finances in promotion of youth and women businesses and enterprises at the constituency level for economic growth towards the realization of the goals of Vision 2030;
- (b) to generate gainful self-employment for the youth and women; and
- (c) to model an alternative framework in funding community driven development.

Establishment of the Board.

5. (1) There is established a board to be known as the Uwezo Oversight Board.

(2) The Board shall consist of-

- (a) the chairperson of the Board who shall be nominated by the Cabinet Secretary and appointed by the President;
- (b) the Principal Secretary in the Ministry for the time being responsible for matters relating to youth and Women affairs;
- (c) the Principal Secretary in the Ministry for the time being responsible for matters relating to finance;
- (d) the Principal Secretary in the Ministry for the time being responsible for matters relating to interior and national

coordination;

- (e) two persons appointed by the Cabinet Secretary;
- (f) one person representing women appointed by the Cabinet Secretary;
- (g) one person with disability nominated by the National Council for Persons with Disability and appointed by the Cabinet Secretary; and
- (h) one person representing religious institutions and appointed by the Cabinet Secretary.

(3) A person shall not be nominated or appointed to the Board by the appointing authority unless that person—

(a) holds a university degree in economics, finance, entrepreneurship, law or any other relevant subject;

(b) meets the requirement of Chapter Six of the Constitution; and

(c) has five years experience in the relevant area of expertise.

(4) A member of the Board, apart from ex-officio member, shall hold office for a period of three years and shall be eligible for re-appointment for one further term of three years.

(5) The Cabinet Secretary shall provide such public officers as may be necessary for secretariat services to the Board.

(6) The quorum at any meeting of the Board shall be five members and the Board shall meet four times in each financial year.

Functions of the Board.

6. The Board shall-

- (a) provide overall management, design and oversight of the Fund;
- (b) consider, verify and approve funding to the constituencies;
- (c) approve disbursement to the Constituency Uwezo Fund Management Committees;
- (d) receive reports on the performance of the Fund from the Constituency Uwezo Fund Management Committee established under regulation 15 of these Regulations;
- (e) develop relevant guidelines and review them as the need arises,

to guide the operations and implementation of the Fund;

- (f) develop and facilitate sectoral linkage on the Fund;
- (g) monitor and evaluate of the programmes and activities under the Fund;
- (h) prepare an annual report on the operations and performance of the Fund to the Cabinet Secretary;
- (i) oversee the management and administration of the Fund including recoveries from loans beneficiaries; and
- (j) put in place necessary mechanisms for sanctions and their enforcements in case of loan repayment default.

Capital of the Fund.

7. The initial capital of the Fund shall be six billion shillings as shall be appropriated by Parliament in the financial year 2013 /2014.

Expenditure on the Fund.

8. (1) The expenditure incurred on the Fund shall be on the basis of and limited to annual work programmes and cost estimates which shall be prepared by the administrator of the Fund, and approved by the Board at the beginning of the financial year to which they relate.

(2) Any revision of the approved annual work programme, and of any cost estimate, shall be referred to the Board for approval.

Retention of receipts.

9. All receipts, earnings and accruals to the Fund, and the balance of the Fund at the close of each financial year, shall be retained by the Fund for use for the purpose for which the Fund is established.

Application of Government Regulations and procedures.

10. Subject to the provisions of the Act, existing Government Regulations and Procedures shall apply in the administration of the Fund.

Administration of the Fund.

11. (1) The accounting officer of the Ministry for the time being responsible for the matters relating to youth and women shall be designated as the administrator of the Fund.

(2) The administrator of the Fund shall-

- (a) open and operate a bank account at the Central Bank of Kenya or a bank to be approved by the National Treasury;
- (b) supervise and control the administration of the Fund;
- (c) consult with the Cabinet Secretary and the Board on matters relating to the administration of the Fund;

(d) cause to be kept proper books of accounts and other books and records in relation to the Fund, of all activities and undertakings financed from the Fund;

(e) prepare, sign and transmit to the Auditor-General, in respect of each financial year and within three months after the end thereof, a statement of accounts relating to the Fund and submit a copy to the National Treasury and the statements shall be prepared in such a manner as the Public Sector Accounting Standards Board shall prescribe;

(f) furnish additional information as he or she may consider to be proper and sufficient for the purpose of examination and audit by the Auditor-General in accordance with the provisions of the Public Audit Act; and

No.12 of 2003.

(g) prepare a quarterly report on the receipts into and issues out of the Fund and submit it to the Cabinet Secretary for Gazettement by the 21st of every fourth month.

(2) Every statement of account shall include details of the balance between the assets and liabilities of the Fund, and shall indicate the financial status of the Fund as at the end of the financial year concerned.

National champion and patron.

12. (1) The President shall be the national champion and overall patron of the Fund and shall provide leadership, overall policy, direction and enhance the Fund's prestige and profile.

(2) In furtherance to paragraph (1), the President shall-

(a) receive annual report on the performance of the Fund and review the implementation progress;

(b) set the overall agenda for the Fund, by ensuring commitment at the highest level of government; and

(c) recognize the Fund's success stories through an annual awards ceremony.

County and constituency patron.

13. The County Woman Representative of the National Assembly shall be the patron of the Fund at the County level and the constituency Member of Parliament shall be the patron of the Fund at the Constituency level.

(2) The patrons shall have the following responsibilities-

- (a) provide linkage between the Fund and the public at the county and constituency level;
- (b) mobilise target beneficiaries to participate in the Fund;
- (c) appoint ward representatives to the membership of the Constituency Uwezo Fund Management Committee;
- (d) publicise and raise awareness on the Fund.

The role of the Ministry.

14. The Ministry responsible for youth and women affairs shall facilitate, and oversee the operations of the Board in the implementation of the Fund and in particular shall-

- (a) develop policy measures relating to the Fund;
- (b) give guidelines on the fund allocation formula for distribution to the constituencies;
- (c) through its local offices, liaise with local business and corporate enterprises and encourage peer mentoring engagements for all Fund recipient groups;
- (d) be responsible for capacity building to Fund recipients on table banking, business entrepreneurship, and public procurement and other business development areas.

Establishment of Constituency Uwezo Fund Committee.

15. (1) There is established a Committee to be known as the Uwezo Fund Management Committee (hereinafter referred to as "Committee") in every Constituency.

- (2) The Committee shall consist of-
 - (a) the sub-county Commissioner or his representative;
 - (b) the sub-county Development Officer or his representative;
 - (c) a sub-county accountant responsible for national government operations within that constituency;
 - (d) the sub-county representative of the national government Ministry responsible for youth and women affairs;
 - (e) a representative from each ward in the Constituency nominated following consultation between the County Women Representative of the National Assembly and the Constituency Member of Parliament;

- (f) one person with disability per Constituency; and
 - (g) the Constituency Development Fund Manager who shall be an ex-officio and the secretary of the committee.
- (3) The Constituency Development Fund Committee shall provide administrative support to the Committee in each constituency.
- (4) The total number of ward representatives shall have equal number of either gender with the women quota providing for at least one female youth.
- (5) The Cabinet Secretary shall cause the names of persons constituting the Committee to be published in the Gazette.
- (6) On the first meeting of the Committee, there shall be an election of the chairperson from the representatives from the ward.
- (7) The Constituency Development Fund Manager, one officer from the Ministry and the sub-county development officers shall provide the necessary secretariat services to the Committee.
- (8) The secretariat shall be primarily responsible to ensure compliance of the set guidelines on managing the Fund, facilitate the disbursement of the funds and recovery of the same.

Functions of the
Committee.

16. (1) The functions of the Committee shall be to-

- (a) identify the targeted groups within the Constituency using guidelines as provided;
- (b) receive applications from the groups;
- (c) evaluate applications based on the guidelines for evaluation of applications;
- (d) receive project proposals from religious institutions and consider the same for funding;
- (e) make a decision on the groups that will receive funds;
- (f) recommend disbursement of funds to qualified target groups and religious institutions;
- (g) undertake monitoring of the activities including making official impromptu visits to the beneficiary groups and religious institutions;

- (h) manage and oversee the implementation of the Fund at the constituency level;
- (i) compile, update and forward progress reports to the Board on a quarterly basis;
- (j) provide oversight to the disbursements in their respective constituencies.

(2) The Committee shall meet not less than twice a month to deliberate on applications.

Bank accounts.

17. (1) The sub-county accountant shall open the following bank accounts-

- (a) the Uwezo Fund Main Account;
- (b) the Uwezo Fund Administration Account; and
- (c) the Uwezo Fund Loan Repayment Account.

(2) The above bank accounts shall be operated by a minimum of two signatories, of whom the sub-county accountant shall be a mandatory signatory to all bank accounts.

(3) The Board may designate any other signatory to the bank accounts where necessary.

Fund allocation.

18. (1) The initial capital of the Fund shall be allocated as follows-

- (a) a one off three per cent administration fee shall be charged on the total fund allocated and shall be retained by the Board for purposes of facilitating both national and constituency level administrative functions;
- (b) an amount not exceeding eight per cent shall be earmarked for capacity building of the Fund beneficiaries and target groups;
- (c) for the balance of the Fund to constituencies-
 - (i) seventy five per cent shall be allocated equally across all constituencies;
 - (ii) twenty five per cent shall be disbursed on the basis of the Kenya National Bureau of Statistics poverty index for equalization purposes;

(d) for each constituency's share-

(i) twenty per cent for religious institutions as a grant to administer to women and youth groups within their jurisdictions;

(ii) sixty per cent as loans; and

(iii) twenty per cent as a grant for each beneficiary group.

(e) for administration of the Fund-

(i) the access by eligible groups of the Fund, shall be on a first come first served basis, subject to assessment and approval of the application;

(ii) the eligible qualifying amounts for a group, shall be a minimum of fifty thousand and a maximum of five hundred thousand shillings at any one time.

(2) In determining the total amount a group is eligible to receive, the following criteria shall be applied-

(a) the length of time the group has been in existence;

(b) the total amount contributed by the group;

(c) the current status of contribution; and

(d) the proposed financial plan for the loan applied.

(3) Religious institutions shall administer to women and youth groups within their jurisdictions under the terms stipulated in paragraphs (1) (e) and (2) above and the Fund guidelines issued under these Regulations.

Fund disbursement

19. The funds shall be disbursed under the following conditions-

(a) all disbursement from the Fund shall be approved and minuted by the Board;

(b) all disbursements from the Fund shall be to the successful groups and religious institutions within the constituency;

(c) all disbursements from the Uwezo Fund Main Account shall be made through the constituency bank accounts maintained for every constituency;

- (d) the record of the amounts received by each constituency and the record of expenditure of amounts so received shall be submitted to the Board within thirty days after the close of the relevant financial year, together with a copy of the relevant bank statements and no disbursements for the succeeding financial year shall be made into the accounts until the said records are duly received;
- (e) the Board shall set out general conditions and requirements for release of funds, to ensure efficient and effective management of resources;
- (f) the Board may impose reasonable requirements, including restrictions, on a particular constituency and such restrictions or requirements shall be reported together with the monthly returns to be submitted to the Cabinet Secretary.

Interest rates.

20. (1) The interest for Fund Loan component shall be a maximum of one per cent.

(2) The Board shall set the annual interest rates applicable in consultation with the Cabinet Secretary and ^{gazette} the interest rates.

Repayment of loan.

21. (1) The repayment period for each loan element shall be determined by the following-

- (a) the amount of money borrowed;
- (b) the size of the group;
- (c) the proposed financial plan for the loan repayment.

(2) All groups shall be allowed a six months grace period before commencement of repayment of the loan element but all loans shall be payable within two years from the expiry of the grace period.

(3) Loan recipients shall deposit by cash or cheque their monthly repayments for loan proceeds into the Uwezo Fund Repayment Account and submit a copy of the deposit slip to the Committee who shall issue and acknowledge receipt to the recipient group.

(4) Upon verifiable proof of loan repayment of all loan proceeds, the Committee shall issue a discharge certificate to the recipient group with respect to the loan repayment.

Eligibility criteria for applicants.

22. (1) Applicants shall qualify for Fund loan application if-

(a) for a group -

- (i) is registered with the department of social services, Cooperatives or the Registrar of Societies.
- (ii) has members aged between 18 and 35 years whereas the women's groups shall be made up of women aged eighteen years and above;
- (iii) has been in existence for at least six months;
- (iv) is based and operational at the constituency it seeks to make an application for consideration;
- (v) operates a table banking structure where members make monthly contributions according to the groups' internal guidelines (evidence of monthly contributions shall be a requirement).
- (vi) hold a bank account in the name of the group;

~~(vii) is recommended by the Chief of the location or the assistant chief of the sub-location.~~

(b) for a religious institution-

- (i) is a registered entity;
- (ii) is recommended by the Inter-religious Council of Kenya;
- (iii) has listed youth and women groups within it.

(2) An application for the funds shall be accompanied by-

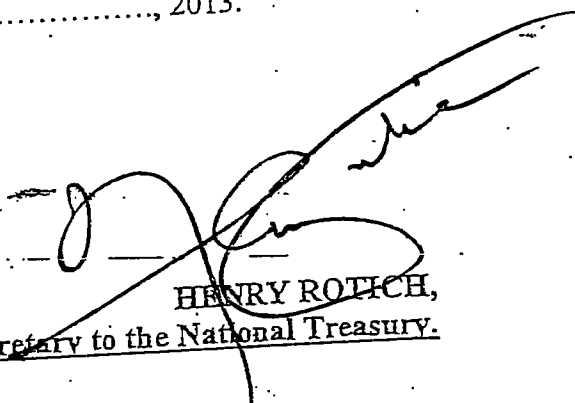
- (a) a signed guarantee form executed by each member of the women or youth group individually committing to repay the loan requested by the group.
- (b) individual group member reference letters from recognized leaders in business, religious organizations, national or county government administration in the location validating the member's credibility.

(3) On behalf of the Government, the Committee shall enter into an agreement with the identified beneficiary groups on the terms of the loan repayment prior to release of funds through signing a prescribed form.

Winding-up of the Fund.

23. In the event of winding up of the Fund, the cash balances shall be transferred to the National Exchequer Account while other assets of the Fund shall be transferred to the Ministry for the time being responsible for matters relating to finance.

Made 17th October, 2013.


HENRY ROTICH,
Cabinet Secretary to the National Treasury.

EXPLANATORY MEMORANDUM TO THE PUBLIC FINANCE MANAGEMENT
(UWEZO FUND) REGULATIONS, 2013

1.0 Background

1. The Uwezo Fund stems from the pledge His Excellency the President made to allocate the Kshs. 6 billion that was meant for the presidential run-off to youth and women groups. Following from this, the National Treasury allocated and Parliament approved the sum of Kshs. 6 Billion to go towards this Fund in the budget covering the Financial Year 2013/14.
2. His Excellency the President, the national champion and overall Patron of Uwezo officially launched the Fund on 8th September 2013.
3. The objectives of the Fund are:
 - a. To expand access to credit to promote youth and women business and enterprises at the constituency level and thereby enhance economic growth towards the realization of the goals of Vision 2030;
 - b. To generate gainful self-employment for the youth and women;
 - c. To model an alternative framework in funding community driven development.
4. The Uwezo Fund will employ the principles of table banking and revolving Funds to create a unique blend of financing for youth groups and will be disbursed at the constituency level modelled along the Constituency Development Fund framework. This will enable women and youth to access the Fund at the local level thereby reducing the transaction costs that they would have otherwise incurred.

2.0 UWEZO Fund Operational Framework

5. The implementation modalities for Uwezo Fund will be supported by the following structure:

- i. Uwezo Fund Oversight Board to primarily provide overall management, design and oversight of the Fund. The Board will be supported by a secretariat
- ii. The Ministry responsible for Youth and Women affairs will facilitate and oversee the operations of the Uwezo Fund Oversight Board in the implementation of the Uwezo Fund. Specifically, the Ministry will be responsible for capacity building to Uwezo Fund recipients on table banking, business entrepreneurship, public procurement and other business development areas.
- iii. Constituency Uwezo Fund Management Committee (CUFMC): UWEZO Fund will be modelled along the Constituency Development Fund framework. The role of the Constituency Development Fund Committee shall be to facilitate the establishment of the Constituency Uwezo Fund Management Committees (CUMC) to manage the Fund at the Constituency level.
- iv. Membership of the Constituency Uwezo Fund Management Committee in every constituency shall include:
 - a) The Sub-County Commissioner or their representative;
 - b) The Sub-County Development Officer or their representative;
 - c) A Sub-County Accountant responsible for National Government operations within that constituency;
 - d) The Sub-County representative of the National government responsible for youth and women;
 - e) A Representative from each ward in the Constituency appointed following consultation between the County Women Representative of National Assembly and the Constituency Member of Parliament;
 - f) The representatives from the wards will comprise of youth and women;
 - g) The total tally of representatives from the wards must have equal number of males and women, of whom the women quota shall have a third of women youth as minimum;
 - h) One person with disability per Constituency;
 - i) The CDF Fund Manager will be an ex-officio member of the committee and the Secretary.

3.0 UWEZO Fund Allocation

6. From the total Fund allocation of Kshs. 6 billion, a one off administration charge of 3% will be deducted while Kshs. 500 Million will be earmarked for capacity building of groups, in order to ensure that the recipients are capacitated on the skills, knowledge and market linkages necessary to run respective group enterprises.
 7. The balance of the funds thereafter will be divided between all the constituencies with 75% shared equally among all constituencies and 25% being shared on the basis of the poverty index for equalization purposes.
 8. Of the total amount received per constituency, 20% will be earmarked for religious institutions as a grant to administer to women and youth groups within their jurisdictions. The balance per constituency thereafter will be administered as a 75% loan, and 25% grant for each beneficiary group.
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3.0 Fund Administration

9. The monies will be payable only to a group, from a minimum of Kshs. 50,000 and not exceeding Kshs 500,000 at a time.
10. Interest rate on the loan component of the Fund will be set annually, and charged between 0% to a maximum of 1%. The interest rate chargeable this financial year (FY2013/14) is 0%.
11. The Fund will be distributed on a first come first served basis, depending on eligibility of the application.
12. In determining the total amount a group is eligible to receive, the following considerations will be made:
 - i. The total amount contributed by the group;

- ii. The current status of contribution;
 - iii. The proposed plan for the loan;
 - iv. The length of time the group has been in existence (Preference will be granted to groups that have been in existence for at least six (6) months).
13. The repayment period for the loan element will be determined by the following:
- i. The amount of money borrowed;
 - ii. The size of the group;
 - iii. The proposed plan for the loan.
14. Groups will be allowed a 6 month grace period before commencement of repayment of the loan component.
15. All loans components will be payable within 2 years from the end date of the grace period.

4.0 UWEZO Fund Eligibility

16. All registered Youth and Women groups and religious organizations are eligible to participate in the Uwezo Fund.
17. For women and youth groups to qualify, they must:
- i. Be registered with the Department of Social Services or the Registrar of Societies;
 - ii. The youth group membership must be between 18 and 35 years of age. The women's group must be made up of all women.
 - iii. Preference will be granted to groups that have been in existence for at least three (3) months.
 - iv. Be based and operating within the Constituency it seeks to make an application for consideration.
 - v. Operate a table banking (chama) structure where members make monthly contributions according to the groups' internal guidelines (evidence of monthly contributions will be a requirement).

- vi. Hold a bank account in the name of the group.
 - vii. Recommended by the Chief of the location.
 - viii. For religious institutions to qualify, they must be:
 - Registered entities;
 - Recommended by the Inter-religious Council of Kenya;
 - Have listed youth and women groups.
 - ix. An application to the Uwezo Fund shall be accompanied by:
 - i. A signed guarantee form executed by each member of the women or youth group individually committing to repay the loan component requested by the group.
 - ii. Individual group member reference letters from recognized leaders in business, religious organizations, national or county government administration in the location validating the member's credibility.
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