

SPECIAL ISSUE

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**WAJIR COUNTY GAZETTE
SUPPLEMENT**

ACTS, 2014

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**THE WAJIR COUNTY REVOLVING FUND
ACT, 2014**

No. 2 of 2014

Date of Assent: 27th June, 2014

Date of Commencement: 1st July, 2014

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**THE WAJIR COUNTY REVOLVING FUND
ACT, 2014**

AN ACT of the Wajir County Assembly to provide for the establishment of a fund be used to promote the Development of Micro Enterprises among the Youth, Women, and for connected purposes

ENACTED by the Wajir County Assembly as follows—

PART I—PRELIMINARY

1. This Act may be cited as the Wajir County Revolving Fund Act, 2014.

Short title.

2. In this Act, except where the context otherwise requires—

Interpretation.

“Committee” means the County Revolving Fund Committee established under section 5 of this Act;

“Executive Committee Member” means County Executive Committee in charge of Trade.

“Fund” means County Revolving Fund established under Section 4 of this Act;

“Funds Manager” means a person appointed under section 13 of this Act;

“Ward Committee” means the committee established under section 22 of this Act.

“Youth” means any person between ages 18-35 years of age;

“Disability” means any person with physical, sensory, mental and other impairment including any visual hearing, learning, physical incapability, which impacts adversely on social economic or environmental participation.

3. The objects and purposes of this Act are to—

Objects and purposes of the Act.

- (a) promote self employment among the women and youth;
- (b) reduce poverty;
- (c) promote entrepreneurship
- (d) empower the women and youth economically so as to achieve self-reliance.

**PART II—ESTABLISHMENT OF THE COUNTY
REVOLVING FUND**

4. (1) There is hereby established a Revolving Fund to be known as the Wajir County Revolving Fund which shall be managed and administered by the County Revolving Fund Committee established under section 6 of this Act.

Establishment of the County Revolving Fund.

(2) There shall be paid out of the fund any expenditure approved by the Committee and incurred in connection with the administration of the Fund.

(3) The Fund shall be funded by allocation from the County Government of Wajir, grants and gifts.

**PART III—ESTABLISHMENT AND FUNCTIONS
OF THE COUNTY REVOLVING FUND
COMMITTEE**

5. (1) There is established the County Revolving Fund Committee which shall administer the County Revolving Funds.

Establishment and membership of the Committee.

- (2) The Committee shall comprise—
- (a) a chairperson of the County Revolving Committee appointed by the Governor
 - (b) a representative from the youth;
 - (c) a representative from the department for the time being responsible for Finance and Economic Planning;
 - (d) a representative from the Governor's office;
 - (e) a representative from the department for the time being responsible for trade;
 - (f) a representative from the department for the time being responsible for Education and Youth and social services;
 - (g) a representative of religious leaders who shall be nominated from Wajir County Council of Imams and preachers; and
 - (h) a representative of persons with Disabilities who shall be nominated by disable person's organization;
 - (i) a representative from women;

- (j) a representative from the minorities resident in the County.
 - (3) The nominating organizations will each submit three names to the County Executive for Trade to choose one person for appointment representing each of the groups referred.
 - (4) The office of a member of the committee shall fall vacant—
 - (a) when the member submits their resignation in writing to the County Executive Member for the time being in charge of trade through the Secretary;
 - (b) if the Committee is satisfied that such a member is by reason of their, physical or mental infirmity unable to execute the functions of the member's office;
 - (c) if the member is found to have been in contravention of Chapter Six of the Constitution of Kenya;
 - (d) upon death of the member; or
 - (e) if the member is adjudged bankrupt or enters into an arrangement with his or her creditors;
 - (f) if the appointing authority or nominating organization revokes the appointment or nomination
 - (5) Where the office of a member becomes vacant, the Secretary shall forthwith notify the vacancy to the appointing authority for appropriate action.
 - (6) In case there is a conflict in decisions between the county revolving fund Committee and the Ward Committee, the decisions made by the County revolving funds shall prevail.
- 6.** (1) The Fund Manager shall be the Secretary of the committee, and shall be responsible for the day-to-day activities of the committee.
- (2) The members of the committee shall hold office for a term of three years and shall be eligible for re-appointment for one further term.

(3) The Secretary shall be an ex office member of the Committee and shall have no right to vote at the meetings of the committee.

7. The Committee shall—

- (a) receive and consider loan applications;
- (b) forward the list of the eligible applicants to the banks for disbursement of the funds;
- (c) conduct research and maintain data on the eligibility of applicants for funds;
- (d) monitor the credit performance of fund recipients; and
- (e) perform and exercise all other functions and powers conferred on the Committee by this Act.

Functions of the Committee.

8. (1) The chairperson shall preside over all the meetings of the Committee and in his absence, the members present shall elect one among themselves to preside at that particular meeting or part thereof.

Conduct of business and affairs of the Committee.

(2) The committee shall meet at least, three times per year but the chairperson shall, upon requisition in writing by at least three members, convene a special meeting of the committee at any time.

(3) All questions at any meeting of the committee shall be determined by a simple majority of the votes of the members present and voting.

(4) In case of equality of votes, the chairperson shall have a casting vote.

(5) The secretary shall cause minutes and proceedings of all the Committee meetings to be entered into the Minute-Book kept for that purpose.

(6) Subject to this Act, the Committee shall regulate its own procedures.

PART IV—APPLICATION FOR FUNDS

9. Any individual, youth or women group, local Co-operative Society, Business Association, or any other institution involved in the promotion and development of the micro and small enterprise sector activities may, on application to the Committee, access funds.

Access to funds.

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10. The Executive Committee Member for the time being in charge of trade may, in consultation with the Committee members for the County Revolving Fund make Rules to provide for—

Rules.

- (a) the procedure to be followed by a person seeking to access funds from the revolved funds;
- (b) forms to be used while making an application under this section;
- (c) the amount that may be accessed;
- (d) applicants under this section;
- (e) the maximum period of loan repayment; and
- (f) the kind of securities that may be given.

11. (1) Every application for the grant of funds shall be made to the Ward Committee in a prescribed form.

Applications.

(2) The committee may approve or reject any application for funds.

(3) If the Ward Committee approves the application, it shall recommend the payment of funds to the eligible applicant to the County Revolving Fund Committee.

(4) If the Ward Committee rejects the application, it shall notify the applicant of such rejection in writing and the reasons thereof.

12. (1) Any applicant aggrieved by the decision of the Ward Committee may appeal to the county revolving fund Committee within thirty days of the Ward Committee's decision.

Appeals.

(2) The committee shall within seven days make a determination of the appeal.

PART V—ADMINISTRATION AND FINANCES

13. (1) There shall be a Fund Manager to the County Revolving Fund under the department for the time being responsible for matters of trade who shall be competitively recruited and appointed by the County Public Service Board.

Fund Manager.

(2) The Fund Manager shall hold office for a period of four years, on such terms and conditions of employment as applicable to the other fund managers in the county and

shall be eligible for re-appointment for a further and final term of four years.

(3) The Fund Manager shall—

- (a) subject to the direction of the Committee, be responsible for the day-to-day management of the County Revolving Fund;
- (b) in consultation with the County Revolving Fund Committee, be responsible the affairs and transactions of the Committee , the exercise, discharge and performance of its objectives, functions and duties, and the general administration of the Committee;
- (c) be the Secretary to the Committee; and
- (d) record the proceedings and minutes of the committee.

14. A person shall not be appointed the Fund Manager unless that person has—

Qualifications of fund manager.

- (a) a degree or diploma in enterprise development, micro-finance credit or co-operative management from a recognized Institution with at least five years experience;
- (b) experience in micro and small enterprise development;
- (c) an academic background in finance, business and entrepreneurship;
- (d) proven leadership ability;
- (e) management experience in the areas of both personnel and budget control; and
- (f) experience in credit or fund management is essential.

15. (1) A bank account of the Fund shall be opened and maintained at the commercial bank approved by the Executive Committee Member for the time being responsible for finance and planning.

Signatories to bank account.

(2) The signatories to the Account of the Fund maintained in accordance with sub-section 1, shall be the fund manager, chairperson and two other persons appointed by the Executive Member for the time being responsible of Finance.

(3) The signature of the Secretary shall be mandatory on all cheques and instruments intended for actual release of money from the Fund, plus another of the other two signatories.

16. (1) The Fund Manager shall submit to the Executive Committee Member for the time being in charge Finance an estimate of its income and expenditure as specified in the budget cycle for approval.

Submission of income and expenditure.

(2) The annual estimates shall make provision for all the estimates of expenditure of the Fund for the financial year and shall provide for—

- (a) the cost of administration including payment of allowances, administration costs and charges for the Funds and other charges whatsoever payable to staff and members of the committee; and
- (b) the payment or reimbursement to the members of the Committees of monies in respect of expenses incurred during the attendance of the meetings of the committees.

(3) Except with the approval of the Executive Committee Member for the time being in charge Finance, no expenditure shall be incurred for the purposes of the Committee except in accordance with the annual estimates approved under sub-section (2).

17. The Fund Manager shall cause to be kept all proper books and records of accounts of the income, expenditure, assets audit and liabilities of the Fund and other statements of accounts as may be necessary to fully disclose the undertakings, assets, liabilities and discharge of the functions of the Committee.

Records.

18. The department for the time being responsible for matters of trade may deploy such officers, agents and other staff as are necessary for the proper and efficient discharge of the functions of the Committee under this Act, upon such terms and conditions of service as the Committee may determine.

Staff of the Committee.

19. (1) The common seal of the Committee shall be kept in the custody of the Fund Manager or of such other person as the Committee may direct, and shall not be used except upon the order of the Committee.

Common Seal of the Committee.

(2) The common seal of the Committee, when affixed to a document and duly authenticated, shall be judicially and officially noticed, and unless the contrary is proved, any necessary order or authorisation by the Committee under this section shall be presumed to have been duly given.

(3) The common seal of the Committee shall be authenticated by the signature of the chairperson of the Committee and the Fund Manager, but the Committee shall, in the absence of either the chairperson or the Fund Manager, in any particular matter, nominate one member of the Committee to authenticate the seal of the Committee on behalf of either the chairperson or the Fund Manager.

20. (1) Nothing by a member of the Committee or by any officer, member of staff, or agent of the Committee shall, if the matter or thing is done *bona fide* for executing the functions, powers or duties of the Committee under this Act, render the member, officer, employee or agent or any person acting on their directions personally liable to any action, claim or demand whatsoever.

Personal liability.

(2) Any expenses incurred by any person in any suit or prosecution brought against them in any court, in respect of any act which is done or purported to be done by them under the direction of the Committee, shall, if the court holds that such act was done *bona fide*, be paid out of the general funds of the Board, unless such expenses are recovered by that person in such suit or prosecution.

21. The provisions of section 20 shall not relieve the Committee of the liability to pay compensation or damages to any person for any injury to him, his property or any of his interests caused by the exercise of any power conferred by this Act or any other written law.

Compensation.

PART VI—ESTABLISHMENT OF THE WARD REVOLVING FUND COMMITTEE

22. There is hereby established Ward Revolving Fund Committee for each ward.

Establishment of the
Ward revolving fund
committee.

23. (1) The Committee shall consist of—

Membership of the
Committee.

- (a) the ward administrator, who shall be the Secretary;
- (b) one person representing women, one person representing religious leaders, one person

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representing youth, one person representing persons with disability and one person representing the business community resident in the ward.

(2) The members of the committee shall be nominated by the Ward Administrator in consultation with the area elected Member of the County Assembly.

(4) The Chairperson of Ward Revolving Fund Committee shall be appointed by the county executive in charge of trade.

24. Functions of the Ward Committees shall be to—

Functions of the Committee.

- (a) receive applications at the ward level and submission to the County Revolving Fund Committee.
- (b) verify the eligibility of the applicants at the grass root levels;
- (c) advise the Revolving Fund Committee on the applicants eligibility;
- (d) keep records of all the applicants;
- (e) track the loan repayments with the help of the Fund manager;
- (f) disseminate the necessary information to the grass root levels;
- (g) advise the Executive Committee on re-loaning;
- (h) address emerging issues at ward level.

25. The secretary of the ward Committee shall be the ward Administrator who shall be an ex-official.

Secretary to the Ward committee.

PART VII—MISCELLANEOUS

26. The Executive Committee Member for the time being in charge of trade shall with the approval of the county assembly make regulations for the smooth running of the Fund.

Regulations.