

SPECIAL ISSUE

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REPUBLIC OF KENYA

***MOMBASA COUNTY GAZETTE
SUPPLEMENT***

ACTS, 2016

NAIROBI, 27th May, 2016

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**THE MOMBASA COUNTY CONSOLIDATED
REVOLVING FUND ACT, 2016**

No. 5 of 2016

Date of Assent: 3rd May, 2016

Date of Commencement: See Section I

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**THE MOMBASA COUNTY CONSOLIDATED
 REVOLVING FUND ACT, 2016**

**AN ACT of the County Assembly of Mombasa for
 the acceleration of wealth creation through the
 creation of job and income by establishment,
 management and administration of the
 Mombasa County Consolidated Revolving Fund,
 and for connected purposes**

ENACTED by the County Assembly of Mombasa, as follows—

PART I—PRELIMINARIES

1. This Act may be cited as the Mombasa County Trade Revolving Fund Act, 2016 and shall come into operation when assented to by the Governor and published in the *Kenya Gazette*. Short title and
Commencement
date

2. In this Act, unless the context so otherwise requires— Interpretation

“Beneficiary” means natural or legal person whose application for a loan has been approved by the Board;

“Board” means a body established under Section 4 and constituted as per Section 6 of this Act;

“Constitution” means "the Constitution of Kenya, 2010;

“County Executive Committee Member” means an individual holding an executive office in the County Government responsible for Industry, Trade and Investment matters or their equivalent, as provided for under Article 179 (2) (b) of the Constitution and Sections 35 and 36 of the County Governments; Act, 2012;

“County” means the Mombasa County;

“County Government” means the County Government of Mombasa as constituted under the Constitution;

“County Chief Officer” means an individual in the service of the County Government responsible for industry, trade and investment matters or their equivalent, appointed as per Section 45 of the County Governments Act, 2012;

“County Secretary” means the County Secretary of Mombasa;

“Fund” to include both revolving fund and grant;

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“Secretary” means a person in the service of the County Government and appointed as provided for under this Act.

3. The object and purpose of the Act is to—

Objects

- (a) expand access to finance in the promotion of youth and women enterprises to spur wealth creation;
- (b) generate gainful self employment;
- (c) establish the mechanisms for community driven development;
- (d) establish Mombasa County Consolidated Revolving Fund;
- (e) finance technology transfer for efficiency, sustainability of projects or promote use of technology;
- (f) promote education, business management literacy for capacity building of the enterprises.

PART II—ESTABLISHMENT OF THE FUND AND THE BOARD

4. (1) There is established a Fund to be known as the Consolidated Revolving Fund which shall be administered by the board.

Establishment and
Administration of
the Fund

(2) At the County level, there shall be a Fund Management Office, under the office of the Governor headed by the Fund Manager who will also be Secretary to the Board.

5. The Fund shall consist of monies from—

Sources of Funds

- (a) annual allocations by the County Assembly of an amount of not less than 1% (one per centum) of the latest audited county government local revenue collected in a financial year;
- (b) grants;
- (c) loan repayments;
- (d) any monies accruing to or received by the Board from any other source.

6. (1) There is established a Board to be known as the Consolidated Revolving Fund Board.

Establishment of the
Board.

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(2) The Board shall comprise of seven members drawn from the County Government and the members of the public as follows—

- (a) a chairperson appointed by the Governor
- (b) three members appointed by the County Executive Committee in consultation with the Governor from any of the following categories—
 - (i) professional association;
 - (ii) business community;
 - (iii) persons with disabilities;
 - (iv) faith based organization;
 - (v) co-operative movement within the county.
- (c) chief officer for the time being responsible for matters relating to—
 - (i) finance and Economic Planning;
 - (ii) youth, Gender and Sports;
 - (iii) trade & Investment.

(3) Appointment of board members under subsection (2) above shall be based on the principle that not more than two-thirds of the membership shall be of the same gender.

7. (1) Any person appointed to the board shall meet the following requirements—

Qualifications of Board members.

- (a) Be a citizen of Kenya;
- (b) Meets Chapter Six of the Constitution.

(2) The chairperson shall possess a minimum qualification of a post graduate degree from a recognized university with at least five years working experience in the relevant field.

(3) The members appointed under section 6 (2) (b) (ii), (iii), (iv) and (v) shall possess at least post-secondary education with at least five years experience in the field of competence on which basis they are appointed.

8. A member of the board appointed under section 6(2)(a) and (b) shall hold office for a term of three years without possibility of reappointment thereafter.

Tenure.

9. A member of the board may vacate or be removed from office on any of the following ways—

Removal and
vacation of office.

- (a) upon expiry of the term of office;
- (b) he or she submits his or her written resignation to the appointing authority;
- (c) he or she unable to perform his or her duties due to physical or mental incapacity as certified by a medical practitioner.
- (d) he or she has been adjudged bankrupt by a competent court of law;
- (e) he or she has been convicted of a criminal offence whose punishment is imprisonment for a period of at least six months;
- (f) he or she is found by a court of law to have contravened Chapter Six of the Constitution;
- (g) he or she no longer fulfills the requirements considered at the time of his/her appointment.

10. (1) The functions of the Board shall be —

Functions of the
Board.

- (a) to develop policies, procedures and manuals to operationalise the Fund guided by the CIDP and county vision;
- (b) to oversee equitable, timely and efficient processing of loan and disbursement;
- (c) to ensure compilation of proper data, records, returns and reports;
- (d) to receive and discuss annual reports and returns;
- (e) perform such other duties as may be deemed necessary from time to time for the proper management of the Fund.

11. (1) There shall be a Fund Manager under the office of the Governor which shall be administered by the Board.

Fund Manager

(2) The Fund Manager shall be the Secretary to the board.

12. The Fund Manager shall—

Functions of the
Fund Manager.

- (a) develop and review criteria and guidelines for applicants;

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- (b) receive, evaluate and approve applications for loans;
- (c) implement communication and decisions of the board;
- (d) recommend to appointed disbursing agents to release the fund;
- (e) monitor and evaluate activities under the fund;
- (f) manage and oversee the implementation of the fund.

PART III – OPERATION OF THE FUND

13. (1) The Fund shall be available to individuals, Companies and Business, Cooperatives, Sacco's and Associations. Qualification of applicants.

(2) The qualifying candidates may have—

- (a) an already existing business as a going concern;
- (b) a new business start up.

(3) Any application shall be assessed by the Board to ascertain viability of the business and prior to the consideration of the approval by the Board.

(4) Beneficiaries may undergo business management training facilitated by the board on business ethics before issuance of loan.

(5) Loans advanced to beneficiaries shall be used for the purpose applied for.

14. The borrowing limits of the loans shall be set as determined by the Board from time to time. Borrowing limits.

15. (1) Any loan shall attract an interest rate that will be determined by the Board upon consultation with the Governor and the Executive Committee from time to time. Growth on loan.

(2) The County Secretary shall disseminate the rate to the public.

PART IV—FINANCIAL MANAGEMENT

16. The Board shall maintain a Fund Account in a reputable commercial bank in Kenya shillings. Fund Account.

17. The Board shall prepare annual reports on management of the Fund within three months after the close of the financial year for consideration by the County Executive Committee for the approval by the County Assembly. Annual Reports.

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18. The accounts of the Fund shall be audited as per the law governing public finance management. Audit.

PART V—MISCELLANEOUS

19. Any beneficiary who diverts loan funds to other activities other than approved shall be blacklisted. Diversion of loan funds.

20. The County Executive Committee Member may make regulations for the better carrying out of the provisions of this Act, or for prescribing anything which is required to be prescribed under this Act. Regulations