

SPECIAL ISSUE

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**TANA RIVER COUNTY GAZETTE
SUPPLEMENT**

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**THE TANA RIVER COUNTY INUKA FUND BILL,
2016**

A Bill for

**AN ACT of the County Assembly of Tana River to
establish the Inuka Fund for empowering youth
and women in the County; to provide for the
administration of the Inuka Fund and for
connected purposes**

ENACTED by the County Assembly of Tana River, as
follows—

PART I—PRELIMINARY

1. This Act may be cited as the Tana River County
Inuka Fund Act, 2016 and shall come into force on such
date as the County Executive Committee Member may
by notice in the *Gazette* appoint.

Short title and
commencement
date.

2. In this Act unless the context otherwise dictate—

Interpretation.

“administrator of Inuka Fund” means a person
designated as such under this Act;

“Board” means the Inuka Fund Oversight Board
established under section 6 of this Act;

“County Executive Committee Member” means the
County Executive Committee Member responsible for
matters of women and youth;

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

“evaluation criteria” means criteria used to evaluate
group applications under this Act;

“Inuka Fund” means a Inuka Fund established by
section 4 of this Act;

“Department” means the department 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;

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“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.

3. The object and purpose of this Act is to facilitate the growth and development of women and the youth in the County, and in particular to—

Objective of the Act.

- (a) establish the Inuka Fund;
- (b) establish a framework for involving women and youth in economic activities in the county;
- (c) train and build capacity to youth and women;
- (d) assist in the eradication of poverty through economic empowerment of youth and women.

PART II—ESTABLISHMENT OF INUKA FUND

4. (1) There is established a Fund to be known as the Inuka Fund.

Establishment of the Fund.

(2) The Inuka Fund shall consist of—

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

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

5. The objects and purpose for which the Inuka Fund is established are—

Objects and purpose of the Fund.

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

6. (1) There is established a Board to be known as the Inuka Fund Oversight Board. Establishment of the Board

(2) The Board shall consist of—

- (a) the chairperson of the Board who shall be nominated by the County Executive Committee Member and appointed by the Governor;
- (b) the Chief Officer for the time being responsible for matters relating to youth and women affairs;
- (c) the Chief Officer for the time being responsible for matters relating to finance;
- (d) two persons appointed by the County Executive Committee Member;
- (e) one person representing women appointed by the County Executive Committee Member; and
- (f) one person representing persons living with disabilities, nominated by the National Council for Persons with Disability and appointed by the County Executive Committee Member.

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

(4) The County Executive Committee Member shall provide such public officers as may be necessary for secretariat services to the Board.

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

(6) The County Executive Committee Member may make regulations generally to give full effect to this section.

7. The Board shall—

Functions of the Board.

- (a) provide overall management, design and oversight of the Inuka Fund;
- (b) consider, verify and approve funding to the Wards;

(c) approve disbursement to the Constituency Inuka Fund Management Committees;

(d) receive reports on the performance of the Inuka Fund from the Wards Inuka Fund Management Committee established under this Act;

(e) develop relevant guidelines and review them as the need arises, to guide the operations and implementation of the Inuka Fund;

(f) develop and facilitate sectoral linkage on the Inuka Fund;

(g) monitor and evaluate the programmes and activities under the Inuka Fund;

(h) prepare an annual report on the operations and performance of the Inuka Fund to the County Executive Committee Member;

(i) oversee the management and administration of the Inuka Fund including recoveries from loans beneficiaries; and

(j) put in place necessary mechanisms for sanctions and their enforcements in case of loan repayment default.

8. The initial capital of the Inuka Fund shall be two hundred million shillings as shall be appropriated by County Assembly in the financial year 2015/2016.

Capital of the Fund.

9. (1) The expenditure incurred on the Inuka 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 Inuka Fund, and approved by the Board at the beginning of the financial year to which they relate.

Expenditure on the Inuka Fund.

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

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

Retention of receipts.

11. Subject to the provisions of the Public Finance Management Act, 2012, existing Government Regulations and Procedures shall apply in the administration of the Inuka Fund.

Application of
Government
Regulations and
procedures.

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

Administration of
the Fund.

(2) The administrator of the Inuka Fund shall —

- (a) open and operate a bank account with a bank to be approved by the County Treasury;**
- (b) supervise and control the administration of the Fund;**
- (c) consult with the County Executive Committee Member 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 which is 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**
- (g) prepare a quarterly report on the receipts into and issues out of the Inuka Fund and submit it to the County Executive Committee Member for gazettelement by the 21st of every fourth month.**

No.12 of 2003.

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

13. The County Executive Committee Member responsible for youth and women affairs shall facilitate, and oversee the operations of the Board in the implementation of the Inuka Fund and in particular shall—

Role of the County
Executive
Committee
Member.

- (a) develop policy measures relating to the Inuka 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 Inuka Fund recipient groups;**
- (d) be responsible for development of curriculum, content and standards for capacity building to Inuka Fund recipients on table banking, business entrepreneurship, and public procurement and other business development areas.**

14. The funds shall be disbursed under the following conditions—

Disbursement of
funds.

- (a) all disbursement from the Inuka Fund shall be approved and minuted by the Board;**
- (b) all disbursements from the Inuka Fund shall be to the successful groups and institutions within the constituency;**
- (c) all disbursements from the Inuka 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 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 County Executive Committee Member

15. The administrative fee for Inuka Fund loan shall be a maximum of one per cent. Interest rate.

16. (1) 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. Repayment of loan.

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

(3) 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.

17. (1) Applicants shall qualify for Inuka Fund loan application if— Eligibility criteria for applicants.

(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) is based and operational at the constituency it seeks to make an application for consideration;
- (iv) operates a table banking structure or any other group fund structure where members make monthly contributions according to the groups' internal guidelines (evidence of monthly contributions shall be a requirement);

(v) hold a bank account in the name of the group;

(b) for an institution—

(i) is a registered entity;

(ii) has listed youth and women groups within it.

(2) An application for the funds shall be accompanied by a signed guarantee form executed by each member of the women or youth group individually committing to repay the loan requested by the group.

(3) On behalf of the Government, the Board 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.

18. In the event of winding up of the Inuka Fund, the cash balances shall be transferred to the County Revenue Account while other assets of the Inuka Fund shall be transferred to the department for the time being responsible for matters relating to finance.

Winding-up of the Fund.

19. The County Executive Committee Member may make regulations generally to give full effect to this Act.

Regulations.

MEMORANDUM OF OBJECTS AND REASONS

The main object and purpose of this Act is to facilitate the growth and development of women and the youth in the County, and in particular to establish the Inuka Fund; establish a framework for involving women and youth in economic activities in the county; train and build capacity to youth and women; assist in the eradication of poverty through economic empowerment of youth and women.

The Bill further provides for the administration of the Inuka Fund and disbursement of the funds.

This Bill does not limit any fundamental rights and freedoms

This Bill concerns the county government.

The operationalization of certain provisions of the proposed law shall entail an additional expenditure of public funds. The funds will be provided for in the estimates.

Dated the 4th November, 2015.

MASHA BORU DELA,
Leader of Majority Party, County Assembly of Tana River.