

**MARSABIT COUNTY YOUTH FUND BILL, 2016**

**ARRANGEMENT OF CLAUSES**

**PART I—PRELIMINARY**

1. Short title and commencement date.
2. Interpretation.
3. Object of the Act.
4. Guiding Principles

**PART II—ESTABLISHMENT OF THE YOUTH FUND**

5. Establishment of the Fund.
6. Objects and purpose of the Fund.
7. Capital of the Youth Fund

**PART III— ESTABLISHMENT OF THE BOARD AND FUND  
MANAGEMENT COMMITTEE**

8. Establishment of the Board.
9. Functions of the Board.
10. Establishment of the Ward Youth Fund Management Committees
11. Functions of the Ward Youth Fund Management Committees
12. Vacation and removal from the Board or Committee.
13. Quorum.
14. Voting.
15. Decision of the Ward Youth Fund Management Committee.
16. Verification of information.

**PART IV—ADMINISTRATION OF THE FUND**

17. Expenditure on the Fund.
18. Retention of receipts and earnings.
19. Application of Government Regulations and procedures.
20. Administration of the Fund.
21. Role of the County Executive Committee Member.

- 22. Disbursement of funds.
- 23. Interest rate.
- 24. Application for a loan
- 25. Repayment of loan.
- 26. Eligibility criteria for applicants.

**PART V— MISCELLENEOUS**

- 27. Winding-up of the Fund
- 28. Offences
- 29. Regulations.

**MARSABIT COUNTY YOUTH FUND BILL, 2016**

**A Bill for—**

**AN ACT OF** the Marsabit County Assembly to provide for the establishment and administration of the Youth Fund for empowering youth in the County and for connected purposes.

**ENACTED BY** the Marsabit County Assembly, as follows—

**PART 1 – PRELIMINARY**

Short title and commencement date.

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

Interpretation.

**2.** In this Act unless the context otherwise requires—

“administrator” means a person designated to administer the Youth Fund under this Act;

“Board” means the Youth Fund Oversight Board established under section 5 of this Act;

“County Executive Committee Member” means the County Executive Committee Member responsible for matters relating to youth affairs;

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

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

“Youth Fund” means a Youth Fund established by section 5 of this Act;

“Department” means the Department for the time being responsible for matters relating to youth 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; and

“youth” has the meaning assigned to it under Article 260 of the Constitution.

Object of the Act.

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

- (a) establish the Youth Fund;
- (b) provide loans to youth enterprises;
- (c) establish a framework for involving youth in economic activities in the County;
- (d) train and build capacity of youth in entrepreneurship activities;
- (e) assist in the eradication of poverty through economic empowerment of the youth.

Guiding principles.

4. The implementation of this Act shall be guided by the principles set out in Article 55 of the Constitution which requires the State to take measure, including affirmative action programmes, to ensure that the youth have opportunities to associate, be represented and participate in political, social, economic and other spheres of life.

## **PART II—ESTABLISHMENT OF THE YOUTH FUND**

Establishment of the Fund.

5. (1) There is established a Fund to be known as the Marsabit County Youth Fund.

(2) The Youth Fund shall consist of—

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

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

Objects and purpose of the Fund.

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

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

(d) to support youth enterprises develop linkages with large enterprises

Capital of the Youth Fund. 7. The initial capital of the Youth Fund shall be **two hundred million shillings** as shall be appropriated by County Assembly in the financial year 2016/2017.

**PART III— ESTABLISHMENT OF THE BOARD AND FUND MANAGEMENT COMMITTEE**

Establishment of the Board. 8. (1) There is established a Board to be known as the Youth Fund Oversight Board.

- (2) The Board shall consist of—
  - (a) the Chief Officer responsible for youth affairs who shall be the chairperson of the Committee;
  - (b) the Chief Officer responsible for finance;
  - (c) the director in charge of matters relating to youth affairs in the County who shall be the Secretary
  - (d) two persons, not being public officers, experienced in youth matters and who ordinarily resides in the County;
  - (e) one person representing faith based organizations involved in youth matters in the County;
  - (f) three persons who ordinarily reside in the County representing the interests of marginalized groups namely; youth, women and persons with disability.
- (3) The persons referred to in subsections 8 (2) (d), (e) and (f) shall be appointed by the County Executive Committee Member responsible for matters relating to youth affairs in the County.
- (4) In appointing the persons referred to in subsections 8 (2) (d), (e) and (f), the County Executive Committee Member shall take into consideration regional and gender balance in the Board.
- (5) The persons referred to in subsection 8 (2) (d), (e) and (f) shall serve for a fixed term of three years and they shall be eligible for re-appointment for one further term of three years.
- (6) The County Executive Committee Member shall provide such public officers as may be necessary for secretariat services to the Board.

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

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

Functions of the Board.

9. The Board shall—

- (a) raise monies for the Fund;
- (b) determine, approve and review the policies for administering the Fund
- (c) provide overall management, design and oversight of the Youth Fund;
- (d) consider, verify and approve funding to the Wards;
- (e) approve disbursement to the Ward Youth Fund Management Committees;
- (f) receive reports on the performance of the Youth Fund from the Wards Youth Fund Management Committee established under this Act;
- (g) develop relevant guidelines and review them as the need arises, to guide the operations and implementation of the Youth Fund;
- (h) develop and facilitate sectoral linkage on the Youth Fund;
- (i) monitor and evaluate the programmes and activities under the Youth Fund;
- (j) prepare and forward reports on the performance and operations of the Fund to the Executive Committee Member in charge of Youth Affairs for onward submission to the County Assembly.
- (k) oversee the management and administration of the Youth Fund including recoveries of loans from beneficiaries;
- (l) put in place necessary mechanisms for sanctions and their enforcements in case of loan repayment default. and
- (m) Undertake such other activities as are necessary for the effective application of the Fund.

Establishment of the Ward Youth Fund Management Committees

10. (1) There is established for each Ward a committee to be known as the Ward Youth Fund Management Committee.

(2) The Committee shall consist of—

- (a) one person, not being a public officer, who is experienced in youth matters, who ordinarily resides in the ward and who shall be the chairperson;

- (b) the county officer responsible for matters relating to youth in the ward who shall be the secretary;
- (c) the Ward Administrator in the Ward;
- (d) one person representing faith based organizations involved in youth matters in the Ward;
- (e) three persons who ordinarily reside in the Ward representing the interests of marginalized groups namely women, youth and persons living with disability.

(3) The persons referred to in paragraphs (10) (a), (d) and (e) shall be nominated by the Executive Committee Member responsible for youth matters in the County.

(4) In nominating the persons referred to in subsections (10) (a), (d) and (e) the Executive Committee Member in charge of youth shall take into consideration regional and gender balance in the Committee.

(5) The persons referred to in subsections (10) (a), (d) and (e) shall serve for a term of three years and they shall be eligible for nomination for one further term of three years.

Functions of the  
Ward Youth  
Fund  
Management  
Committees

**11.** The functions of the Committee are to—

- (a) apply the funds in accordance with its object and purpose;
- (b) identify the youth groups to benefit within the Wards using the criteria and guidelines set out under this Act;
- (c) receive and consider applications for youth loans;
- (d) recommend and forward applications of successful applicants to the Board for approval;
- (e) Distribute cheques to successful applicants;
- (f) Monitor utilization of the funds by the groups;
- (g) oversee the management and administration of the Youth Fund at the Ward level including recoveries of loans from beneficiaries;
- (h) compile and submit progress reports to the Board on a quarterly basis; and
- (i) undertake such other activities as are necessary for the effective application of the Fund.

Vacation and  
removal from the  
Board or

**12.** (1) A member of the County Youth Oversight Board or the Ward Youth Fund Management Committee may resign from the Committee by giving a notice in writing addressed to the County Executive Member

- Committee responsible for matters relating to youth affairs.
- (2) A member of the County Youth Oversight Board or the Ward Youth Fund Management Committee may be removed from their respective offices if that member—
- (a) is absent from three consecutive meetings of the Board or Committee without good cause; or
  - (b) is in serious violation of these Act or any other law;
  - (c) is guilty of gross misconduct;
  - (d) is physically or mentally incapable of performing the functions of the Board or Committee;
  - (e) is adjudged bankrupt.
- Quorum **13.** The quorum for meetings of the Ward Youth Fund Management Committee shall be five members.
- Voting **14.** A question before the Youth Oversight Board and the Ward Youth Fund Management Committee shall be decided by a majority vote of the members present and forming a quorum.
- Decision of the Ward Youth Fund Management Committee **15.** (1) The Ward Youth Fund Management Committee shall make a decision on every application without undue delay and not later than 21 days after the submission of applications.
- (2) The Ward Youth Fund Management Committee shall notify the applicant of its decision in the prescribed manner.
- Verification of information. **16.** The County Youth Oversight Board and the Ward Youth Fund Management Committee shall take such measures as may be necessary to verify the information provided by an applicant.

#### **PART IV—ADMINISTRATION OF THE FUND**

- Expenditure on the Youth Fund. **17.** (1) The expenditure incurred on the Youth 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 Youth 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 **18.** All receipts, earnings and accruals to the Youth Fund, and the balance of the Youth Fund at the close of each financial year, shall be retained



earnings. by the Youth Fund for use for the purpose for which the Youth Fund is established.

Application of Government Regulations and procedures. **19.** Subject to the provisions of the Public Finance Management Act, 2012, existing Government Regulations and Procedures shall apply in the administration of the Youth Fund.

Administration of the Fund. **20.** (1) The accounting officer of the Department for the time being responsible for the matters relating to youth affairs shall be designated as the administrator of the Youth Fund.

(2) The administrator of the Youth Fund shall—

No.12 of 2003.

- (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 County 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 Youth Fund and submit it to the County Executive Committee Member for *gazettement* by the 21<sup>st</sup> of every fourth month.

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

Role of the  
County  
Executive  
Committee  
Member.

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

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

Disbursement of  
funds.

**22.** (1) The funds shall be disbursed under the following conditions—

- (a) all disbursement from the Youth Fund shall be approved and minuted by the Board;
- (b) all disbursements from the Youth Fund shall be to the successful youth groups and institutions within the Ward;
- (c) all disbursements from the Youth Fund Main Account shall be made through the Ward bank accounts maintained for every Ward;
- (d) the record of the amounts received by each Ward 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 Ward and such restrictions or requirements shall be reported together with the monthly returns to be submitted to the County Executive Committee Member.

(2) In determining the total amount that 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 business plan or project for which the loan applied.

Interest rate.           **23.** The administrative fee for Youth Fund loan shall be a maximum of one per cent.

Application for a loan       **24.** (1) All groups wishing to be considered for the grant of a loan shall make an application to the Board in the prescribed form.

(2) The Board shall grant the loans to qualifying groups on such terms and conditions as the Board may prescribe including –

- (a) applicable interest rate;
- (b) form and manner of disbursement;
- (c) form, manner and frequency of repayment; and
- (d) such other terms and conditions as may be prescribed by the Board.

(3) Any un-repaid loan, including interest thereon, shall be recoverable by the Fund as a civil debt.

Repayment of loan.       **25.** (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.

(2) Loan recipients' shall deposit by cash or cheque their monthly repayments for loan proceeds into the Youth 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.

Eligibility criteria for applicants.       **26.** (1) Applicants shall qualify for a loan from the Youth Fund if—

(a) for a group—

- (i) is registered with the department of social services, Cooperatives or the Registrar of Societies (evidence of a registration certificate shall be a requirement);
- (ii) has members aged between 18 and 35 years;
- (iii) is based and operational at the Ward 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 groups within it.

(iii) files its annual returns (in the case of a limited liability company)

(iv) is based and operational at the Ward it seeks to make an application for consideration;

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

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

(3) On behalf of the County 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.

(4) The group or institution shall produce evidence of registration, membership and books of account and such other documents as may be requested by the Board or Committee to accompany each application.

(5) The Committee shall take measures as may be necessary to verify the information provided by the applicants.

#### **PART V— MISCELLANEOUS**

Winding-up of the Youth Fund. **27.** In the event of winding up of the Youth Fund, the cash balances shall be transferred to the County Revenue Account while other assets of the Youth Fund shall be transferred to the Department for the time being responsible for matters relating to finance.

Offences

**28.** (1) A group or a institution which –

(a) is granted a loan on the basis of false statements made in the loan application whether orally or in writing relating to any matter affecting a request for a loan; or

(b) upon being granted a loan and is subsequently required to answer any questions, furnish any information or particulars or produce any document or paper relating to the loan amount and use thereof, neglects or fails to do so without reasonable cause or furnishes false information or information aimed at misleading the Board;

commits an offence and is upon conviction liable to a fine not exceeding two hundred and fifty thousand shillings.

(2) In addition to the fine in subsection (1), a director, owner or promoter of a small enterprise shall be liable on conviction to imprisonment for a term not exceeding 18 months.

Regulations.

**29.** (1) The County Executive Committee Member may make regulations generally to give full effect to this Act.

(2) Without prejudice to the generality of subsection (1), the regulations may prescribe—

- (a) The procedures to govern the conduct of business and affairs of the Board and Committee; and
- (b) forms applicable under this Act;

(3) For purposes of Article 94 of the Constitution;

- (a) The purpose of the delegation under this section is to enable the County Executive Committee Member to make regulations for better carrying into effect the provisions of this Act.
- (b) The Authority of the County Executive Committee Member to make regulations under this Act will be limited to bringing into effect the provisions of this Act and fulfillment of the objectives specified under this Section.
- (c) The principles and standards applicable to the delegated power referred to under this section are those found in:
  - (i) Statutory Instruments Act, 2013;
  - (ii) The Interpretations and General Provisions Act;
  - (iii) General Rules of International Law as specified under Article 2(5) of the Constitution;
  - (iv) Any treaty and convention ratified by Kenya under Article 2(6) of the Constitution;



**MEMORANDUM OF OBJECT AND PURPOSES**

The main object and purpose of this Act is to facilitate the growth and development of enterprising young business persons and the general youth in the County, and in particular to establish the Youth Fund; establish a framework for involving young and enterprising youth in economic activities in the County; train and build capacity of youth in microeconomic and entrepreneurship activities and assist the County in the eradication of poverty through economic empowerment of the youth.

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

Upon enactment of this Bill, a sum of Kenya Shillings Two Hundred Million will be appropriated towards establishing the seed capital of the Youth Fund.

**Dated ....., 2016.**

**Hon. Galgalo Alio**  
**Member of the County Assembly**