



ISIOLO COUNTY GOVERNMENT

**HIS EXCELLENCY THE GOVERNOR
DR. MOHAMED ABDI KUTI**

I assent

Governor

.....2019

AN ACT of the County Assembly to provide for the establishment of the Youth, Women and Persons with Disabilities Enterprise Development Fund, to promote the establishment of new micro and small businesses and industries by the youth, women and persons with disabilities, to promote the development of existing micro and small businesses owned by the youth, women and persons with disabilities and for connected purposes.

**ISIOLO COUNTY YOUTH, WOMEN AND PERSONS WITH
DISABILITIES
ENTERPRISE DEVELOPMENT FUND ACT, 2019**

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**ISIOLO COUNTY YOUTH, WOMEN AND PERSONS WITH
DISABILITIES ENTERPRISE DEVELOPMENT FUND ACT, 2019**

AN ACT of the County Assembly to provide for the establishment of the Youth, Women and Persons with Disabilities Enterprise Development Fund, to promote the establishment of new micro and small businesses and industries by the youth, women and persons with disabilities, to promote the development of existing micro and small businesses owned by the youth, women and persons with disabilities and for connected purposes

ENACTED by the County Assembly of Isiolo as follows—

PART I – PRELIMINARY

- Short title. **1.** This Act may be cited as the Isiolo County Youth, Women and Persons with Disabilities Enterprise Development Fund Act, 2019.
- Interpretation. **2.** In this Act, unless the context otherwise requires— “appropriation” means funds appropriated by the County Assembly for purposes of the Fund;
- “Board” means the Board of the Fund established under section 5;
- “Constitution” means the Constitution of Kenya, 2010;
- “County Government” means the County Government of Isiolo;
- “County Assembly” means the County Assembly of Isiolo;
- "County Executive Member" Means the County Executive Committee Member Responsible for Women, Youth Affairs and Persons With Disabilities
- “financial year” means the period of 12 months ending on thirtieth day of June in each year;
- “Fund” means the Isiolo County Youth, Women and Persons with Disabilities Enterprise Development Fund established under section 4;
- “Fund manager” means any person, appointed by the County Executive Member under section 12;
- “micro enterprise” means a firm, trade, service, industry or a business activity –
- (a) whose annual turnover does not exceed five hundred thousand shillings;
- (b) which employs less than ten people; and

- (c) whose total assets and financial investment shall be as determined from time to time pursuant to the provisions of the Micro and Small Enterprise Act, 2012 and includes –
 - (i) the manufacturing sector, where the investment in plant and machinery or the registered capital of the enterprise does not exceed ten million shillings;
 - (ii) the service sector and farming enterprises where the investment in equipment or registered capital of the enterprise does not exceed five million shillings.

“small enterprise” means a firm, trade, service, industry or a business activity –

- (a) whose annual turnover ranges between five hundred thousand shillings and five million shillings;
- (b) which employs between ten and fifty people; and
- (c) whose total assets and financial investment shall be as determined from time to time pursuant to the provisions of the Micro and Small Enterprise Act, 2012, and includes—
 - I. the manufacturing sector, where the investment in plant and machinery as well as the registered capital of the enterprise is between ten million shillings and fifty million shillings; and
 - II. service and farming enterprises, where the equipment investment as well as registered capital of the enterprise is between five million shillings and twenty million shillings;

“sub county committee” means the youth, women and persons with disabilities enterprise development fund committee established under section 10;

“youth” means the collectivity of all individuals in the Republic who –

- (a) have attained the age of eighteen years, but
- (b) have not attained the age of thirty-five years.

Object of the Act.

3. The object of the Act is to provide for –

- (a) the establishment and administration of the Isiolo County Youth, Women and Persons with Disabilities Enterprise Development Fund;
- (b) the promotion of enterprise development among youth, women and persons with disabilities;
- (c) the framework for investing in, and facilitating growth of, the micro and small enterprise sector in the County to spur economic growth.

**PART II – ESTABLISHMENT OF THE ISIOLO COUNTY YOUTH,
WOMEN AND PERSONS WITH DISABILITIES ENTERPRISE
DEVELOPMENT FUND**

Establishment of the
Fund.

4. (1) There is established a Fund to be known as the Isiolo County Youth, Women and Persons with Disabilities Enterprise Development Fund.

(2) The Fund shall consist of –

- (a) such monies as shall be appropriated by the County Assembly;
- (b) any grants, gifts, donations, interest-free loan repayments or other endowments granted to the Fund;
- (c) such funds as may vest in or accrue to the Fund in the course of the Board's exercise or performance of its functions under this Act; and
- (d) monies from any other lawful source accruing to the Fund.

(3) The Fund shall be utilized for-

- (a) providing access to capital and financing facilities to micro and small enterprises owned by the youth, women and persons with disabilities resident in the County;
- (b) attracting and facilitating investment in micro and small enterprises oriented commercial infrastructure;
- (c) supporting youth, women and persons with disabilities-oriented micro and small enterprises to develop linkages with large enterprises;
- (d) providing technical assistance in product and market development;
- (e) facilitating training, mentorship and the provision of business development services to youth, women and persons with disabilities entrepreneurs in the County; and
- (f) facilitating technology acquisition, adoption and utilization for beneficiaries under this Act.

(4) An amount –

- (a) not more than five per cent of the total monies consisting of the fund shall be utilized for administration of the Fund;
- (b) not less than twenty five percent shall be utilized for funding activities under subsection (3) (b), (c), (d), (e) and (f).

(5) The County Assembly may appropriate specific amounts to be allocated to youth, women and persons with disabilities and the category of persons described under section 15 (2).

(6) The amount set aside for disbursement as repayable interest -free loan under subsection (1) shall be equitably appropriated per Ward.

Establishment of the Board.

5. (1) There is established a Board to be known as the Isiolo County Youth, Women and Persons with Disabilities Enterprise Development Fund Board.

(2) The Board shall, subject to section 12, manage and administer the Fund.

Composition of the Board.

6. (1) The Board shall consist of –

- (a) a non-executive chairperson, not being a public officer, elected from members contemplated by subsections (e),(f) and (g)
- (b) the Chief Officer in the County department for the time being responsible for finance or their representative duly nominated in writing;
- (c) the Chief Officer in the County department for the time being responsible for Women and youth affairs or their representative duly nominated in writing;
- (d) the chief officer for the time being responsible for social services;
- (e) One person representing persons with disabilities nominated by the joint forum of micro and small enterprises organizations of persons with disabilities and appointed by the County Executive Member;
- (f) One person representing women nominated by the joint forum of micro and small enterprises' women organizations and appointed by the County Executive Member;
- (g) One person representing the youth nominated by the joint forum of micro and small enterprises' youth organizations and appointed by the County Executive Member;
- (h) one professional qualified and experienced in matters related to enterprise development, finance or business and appointed by the County Executive Member; and
- (i) one person representing the civil society nominated by joint forum of civil society organizations in the county and appointed by the Executive Member
- (j) the fund manager who shall be an ex officio member and the secretary.

(2) At all times the board membership shall comply with article 27 of the Constitution and ensure that not more than 2/3rds of the members shall be of the same gender

(3) A person shall not be eligible for appointment as a member under

subsection (1) (h) and (i) unless the person—

- (a) holds a degree from a recognized university;
- (b) satisfies the requirements of Chapter six of the Constitution;
- (c) has at least Two years experience in business, finance, enterprise development, law, economics or related field.

(4) A person shall not be eligible for appointment as a member under subsection (1) (e), (f), (g) and (i) unless the person-

- a) holds a diploma level certificate;
- b) has at least one year experience in business, trade or enterprise
- c) satisfies the requirements of chapter six of the constitution and;
- d) is a resident in the county

(5) The election of the chairperson under sub-section (1) (a) and members under sub-section (1) (e), (f), (g), (h) and (i) shall be by notice in the Isiolo County Gazette.

Term of Office for
members of the Board.

7. The chairperson and members appointed under section 6 (1) (e),(f), (g), (h) and (i) shall serve a term of three years and shall be eligible for a reappointment for one further final term.

Removal from Office.

8. (1) A member of the Board may be removed from office only for –

- (a) violation of the Constitution or any other law;
- (b) gross misconduct, whether in the performance of the member's functions or otherwise;
- (c) physical or mental incapacity to perform the functions of office;
or
- (d) incompetence or neglect of duty.

(2) The Governor may terminate the appointment of a member of the Board, in line with County Government Act other than the chairperson, on any of the grounds specified under sub-section (1).

Functions of the Board.

9. (1) The Board shall be responsible for—

- (a) overseeing the implementation of the fund
- (b) advising the Executive Member on the appropriate guidelines and procedures for implementation of the Act and for better management of the Fund;
- (c) Ensure review and consideration of the applications recommended by the sub county Committees and approving disbursements for interest-free loan and utilization of the Fund;

- (d) Cause to prepare annual report on the implementation of the Act for transmission to the Executive Member;
- (e) Mobilize and/or fundraise for the kitty
- (f) advising the Executive Member generally on implementation of this Act; and
- (g) carrying out any other functions as may be assigned by the Executive Member.

(2) The Board shall ensure that its services are decentralized throughout the county.

Establishment of the sub county Committee.

10. (1) There is established for each Sub County, a Sub County Youth, Women and Persons with Disabilities Enterprise Development Fund Committee.

(2) The Committee shall consist of the following members—

- (a) a chairperson elected from the nominees contemplated by subsection (c), (d) and (e);
- (b) the County Government officer in-charge of sub county administration;
- (c) one person representing the youth, nominated by a joint forum of micro and small enterprise youth organizations in the sub county and appointed by the Executive Committee Member in consultation with the members of county assembly from the sub county;
- (d) one person representing persons with disabilities, nominated by a joint forum of micro and small enterprise organizations of persons with disabilities in the sub county and appointed by the Executive Committee Member in consultation with the members of county assembly from the sub county; and
- (e) one person representing women, nominated by a joint forum of micro and small enterprises' organizations of women in the sub county and appointed by the Executive Committee Member in consultation with the members of county assembly from the sub county.
- (f) One person representing faith-based organizations, nominated by a joint forum of faith-based organizations in the sub county and appointed by executive committee member in consultation with the members of the County Assembly from the sub county.

(3) A person shall be qualified for appointment as a member under sub section (2) (c), (d), (e) and (f) if the person –

- (a) holds at least a secondary school level education certificate;
- (b) meets the requirements of Chapter Six of the Constitution;
- (c) is experienced in matters relating to business, trade or financial matters within the micro or small enterprise sector; and

(d) is a resident of the Sub County.

(4) A person appointed under subsection (2) (a), (c), (d), (e), and (f), shall serve for a term of three years which may be renewed for one further and final term which shall expire upon the constitution of a new committee in accordance with subsection (5).

(5) The term of the committee shall expire upon the final announcement of the results of the election of the Governor and members of county assembly during the general elections, but the members shall remain in office until a new Committee is constituted.

(6) The County Executive Member shall ensure that not more than one person shall be appointed under subsection (2) (c), (d), (e) and (f) from the same ward.

(7) A member of the sub county committee appointed under subsection (2) (a), (c), (d), (e) and (f) may be removed from office by the Executive Member on the basis of the factors stipulated under section 8.

Functions of the
sub County
Committee.

11. (1) The Committee shall be responsible for –

- (a) receiving, reviewing and rating applications for funding under this Act;
- (b) assisting in monitoring and evaluating the progress and performance of the micro and small enterprises supported under this Act;
- (c) creating awareness among the residents of the sub county about the Fund and mobilizing potential beneficiaries under this Act;
- (d) advising the Board such projects that may be funded under section 4(3) (b), (c), (d), (e) and (f) in the Sub County;
- (e) facilitating the Board in the implementation of the Act in the sub county; and
- (f) carrying out such other roles as are necessary for the implementation of the object of this Act, and perform such other functions as may, from time to time, be assigned by the County Executive Member.

Fund Manager.

12. (1) Subject to the approval by the County Executive Member, the Fund board shall designate an officer of the county government to be a fund manager.

(2) The Fund manager shall be responsible for—

- (a) managing the day to day operations of the Fund subject to the

- direction of the Board;
- (b) providing secretariat services to the Board;
- (c) facilitating the operations of the Sub County committees;
- (d) maintaining records related to the fund;
- (e) providing liaison and coordination among County departments responsible for the implementation of this Act or any agency appointed for the purpose of implementation of this Act;
- (f) preparing reports related to the implementation of the Act; and
- (g) carrying out any other function assigned by the Board.

(3) Where a fund manager fails to—

- (a) carry out the functions assigned under this Act; or
- (b) is found to have mismanaged the finances or resources of the Fund, the Board may, in consultation with the Executive Member discharge the fund manager from holding the position and shall designate another officer to be the fund manager as provided under subsection (1).

(4) Where the Board fails under subsection (3) to discharge the fund manager; the Executive Member may direct the Board to discharge the Fund manager from holding the position and the Board shall designate another officer to be the Fund manager.

PART IV – ACCESS AND UTILIZATION OF THE FUND

Eligibility for
accessing the Fund.

- 13.** (1) For a person to be eligible for accessing an interest-free loan under this Act, the person must be—
- (a) a duly qualified youth, woman and persons with disability subject to this Act; and
 - (b) operating a micro or small enterprise or intending to commence operating a business which is a micro or small enterprise.

Accessing the
Fund.

14. (1) A person who qualifies for funding under Section 14 may apply for an interest-free loan to the Board in the prescribed form and in accordance with the prescribed conditions.

(2) An application for an interest-free loan may be made by a registered enterprise, an individual or a group of persons subject to the prescribed conditions:

Provided that the conditions shall not be prohibitive to accessing the funds by

the intended beneficiaries.

(3) the board shall set a limit in this law,

(a) limit for an individual (individual not more than 50,000-200,000shillings

(b) limit for a group (groups from 100,000 - 500,000 shillings

(4) The Board may, where an applicant meets the prescribed conditions –

(a) approve the interest-free loan application; or

(b) reject the interest-free loan application and give reasons to the applicant.

(5) Notwithstanding subsection (2), an interest -free loan shall not be disbursed to an applicant unless the applicant has undergone through the prescribed training.

15. (1) The Board shall, in consultation with the County Executive Member, establish interest-free loan repayment conditions.

Interest -free
loan repayment.

(2) the fund shall be administered through a financial institution as decided by the board

(3) Where an applicant granted interest-free loan under this Act defaults on repayment, the Board or a financial institution appointed under this Act may adopt such interest free loan recovery measures as may be prescribed.

16. (1) An interest-free loan granted under this Act shall only be utilized for financing an enterprise or business undertaking that was approved by the Board at the time of application for interest-free loan.

Utilization of the
revolving fund.

(2) A person who utilizes the interest-free loan granted under this Act in non-enterprise or business undertaking may be disqualified from accessing any other interest-free loan under this Act and the Board may recall the interest-free loan disbursed.

(3) Notwithstanding subsection (1), a person may, with the approval of the Board engage in any other enterprise or business other than the approved enterprise.

17. (1) The Board shall prepare a five year strategic plan for implementation of this Act which shall be approved by the County Executive Committee.

Strategic plan.

(2) The plan shall provide among others for-

(a) projects, strategies and activities projected to be funded under section 4 (3) (b), (c), (d), (e) and (f) and the estimated costs;

- (b) estimated number of businesses or enterprises targeted to be funded under the Act through interest-free loans disbursements;
- (c) Strategies to be pursued in regard to mobilization of target group provided under section 13; and
- (d) any other matter that may be prescribed.

(3) The strategic plan prepared under this section shall be in accordance with the county integrated development plan prepared under the County Government Act, 2012.

Business
Development
Services.

18. (1) The Board shall, in collaboration with other relevant county or national government departments or private sector, coordinate the provision of appropriate business development services to persons applying for interest-free loan under this Act or the beneficiaries under this Act.

(2) The Board may, subject to the approval by the County Executive Member, charge such fees for services rendered.

Partnership.

19. The Board may collaborate, consult or enter into partnership with other government or private entity for the purposes of implementing this Act.

Annual forum.

20. (1) The Board shall in consultation with the Executive Member, convene annual forum for all beneficiaries and potential beneficiaries under this Act which may be held at the Ward, Sub County or County levels.

(2) The forum shall provide a platform for-

- (a) reviewing and evaluating the implementation of the Act;
- (b) providing learning opportunities for business or enterprises; and
- (c) exposing beneficiaries under this Act to investors.

Annual report.

21. (1) The Board shall prepare an annual report of the operations of the Fund which shall be submitted to the County Executive Committee.

(2) The report shall provide among others for—

- (a) performance of the Fund against the set targets;
- (b) types of businesses or enterprises funded under this Act which shall include the sector within which the business operate;
- (c) the number of beneficiaries as categories under this Act which may be classified in relation to the wards, Sub County and the County levels;
- (d) the rate of repayment and default of interest-free loans disbursed and related reasons for either;

- (e) challenges faced in the implementation of this Act and mitigation measures taken;
- (f) the plan for the next period
- (g) the success rate of businesses or enterprises funded under this Act; and
- (h) any other matter that may be prescribed.

(3) The Board shall cause the report to be published and shall publicize it in the County.

Winding Up of the Fund.

22. In the event of winding up of the Fund, the cash balances shall be transferred to the account designated by the County Treasury while other assets of the Fund shall be transferred to the County Government.

PART IV – REPORTS AND AUDITING OF THE FUND

Annual Estimates.

23. (1) At least three months before the commencement of each financial year the Board shall prepare or cause to be prepared estimates of the revenue and expenditure of the Fund for that financial year.

(2) The financial estimates referred to under sub-section (1) shall—

- (a) differentiate between recurrent and disbursement expenditure; and
- (b) itemize every activity that the Board intends to undertake in respect of the Fund in the coming financial year under a separate vote-head.

(3) Upon approval of the estimates by the County Assembly, all monies appropriated for purposes of the Fund shall be paid into the Fund account established under section 5 of this Act.

Financial statements and audits.

24. (1) The Board shall cause to be kept such books of accounts and other books in relation thereto of all its undertakings, funds, activities and property as the County Executive Committee Member may from time to time approve and shall, within a period of three months after the end of the financial year, cause to be prepared, signed and forwarded to the Auditor-General –

- (a) a financial statement of the Fund; and
- (b) such other statements of accounts as the County Executive Committee Member for Finance may approve.

(2) The accounts of the Fund shall be examined, audited and reported upon annually by the Auditor-General in accordance with the Public Audit Act.

Public Audit Act, No. 12 of 2003

(3) The County Treasury shall submit to the Auditor-General all books and accounts of the Board, together with all vouchers in support thereof, and all

books, papers and writings in its possession or control relating thereto, and the Auditor-General shall be entitled to require from any member, officer, employee or agent of the Authority such information and explanation as he may consider necessary for the performance of his duties as Auditor-General.

(4) The expenses incurred in and incidental to the auditing of the accounts of the Fund shall be met by the Board.

Annual Report and
Publication.

25. (1) The Board shall, within a period of three months after the end of the financial year, submit to the County Executive Member a report of the operations of the Fund and the Board referred to under section 22 during such year, and the yearly balance sheet and such other statements of account as the Executive Committee Member shall require, together with the Auditor-General's report.

(2) The Board shall, if the County Executive Member so requires, publish the report, balance sheet and statements submitted under subsection (1) in such manner as the County Executive Member may specify.

(3) The Executive Committee Member shall lay before the County Assembly the reports, balance sheet and statements submitted under subsection (1), and such statements of accounts as may be approved, within a period of fourteen days of the receipt of the reports and statements, or, if the County Assembly is not sitting, within fourteen days of the commencement of its next sitting.

PART V– MISCELLENEOUS PROVISIONS

26. (1) An applicant who—

(a) is granted a interest free-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 interest-free 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 interest-free 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 twenty thousand shillings

Regulations

No 23 of 2013

27. (1) Subject to the provisions of the Public Finance Management Act, 2012, the Executive Committee Member may, in consultation with the Board make Regulations for the better carrying out of the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the Regulations may-

- (a) prescribe the criteria for accessing the Fund;
- (b) prescribe the conditions imposed on accessing and repayment of the interest free loans;
- (c) prescribe the limits of amounts that can disbursed as loan to an applicant;
- (d) prescribe loan recovery measures;
- (e) prescribe the training to be offered to persons applying for funding under this Act; or
- (f) Prescribe the forms.”

(2) Pursuant to Article 94(6) of the Constitution, the legislative authority delegated to the Executive Committee Member in this section shall be exercised only for the purpose and intent specified in this section and in accordance with the principles and standards set out in the Interpretation and General Provisions Act and the Statutory Instruments Act.

**THE ISIOLO COUNTY YOUTH, WOMEN AND PERSONS
WITH DISABILITIES ENTERPRISE DEVELOPMENT ACT,
2019**

No. 1 of 2019

I certify that this printed impression is a true copy of the bill passed
by the county assembly on the May, 2019.

S. B GURACHA

Clerk of the county Assembly.

Presented for Assent in accordance with the provision of the
Constitution of Kenya and County Governments Act, 2012 on

The at the hour of

HUSSEIN HALAKE ROBA

Speaker of the County Assembly

