



REPUBLIC OF KENYA

THE MAKUENI COUNTY SOCIAL PROTECTION ACT, 2025

MAKUENI COUNTY EMPOWERMENT FUND REGULATIONS, 2025

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IN EXERCISE of the powers conferred by Section 37 of the Makueni County Social Protection Act, 2025, the Makueni County Executive Committee Member for Finance makes the following Regulations—

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FIRST SCHEDULE [Regulation 10 (1)]

PART I- PRELIMINARY

1. Citation

These regulations may be cited as the The Makueni County Empowerment Fund Regulations, 2025.

2. Interpretation

In these Regulations, unless the context otherwise requires—

"Act" means the Makueni County Social Protection Act, 2025;

"Appropriation" means allocation of funds to meet the disbursements and expenditures of the Fund.

"Applicant" means a youth, man, woman, person with disability and or groups with micro and small enterprise or a village, saving and loaning association wishing to be granted a loan by the Fund;

"Group" means a registered self-help group with a common interest or whose aim is to organize itself to work together or act together to achieve a socio-economic objective;

"Business" is the activity of making, buying, or selling goods or providing services in exchange for money;

"Committee" means the Makueni County Empowerment Fund Committee established under Section 6 of these Regulations;

"Constitution" means the Constitution of Kenya, 2010;

"County" means the County Government of Makueni;

"Department" means the department responsible for youth, men, women, persons with disabilities in the County;

"Digital platform" means an online real-time system for managing the Fund with both a front end and back-end interface supported by multiple access channels including Unstructured Supplementary Service Data (USSD), mobile apps and desktop versions;

"Executive Committee Member" means the County Executive Committee member responsible for youth, men, women and persons with disabilities;

"Financial year" means the period of 12 months ending on the thirtieth day of June in each year,

"Fund" means the Makueni County Empowerment Fund established under section 35 of the Makueni County Social Protection Act, 2025;

"Fund administrator" means a person appointed by the County Executive Committee Member responsible for Finance under regulation 14 of these Regulations and section 116 of the Public Finance Management Act, 2012.

"Marginalized" means a person or group who because of socio-economic factors are disadvantaged and cannot access credit facilities from mainstream financial institutions.

"Small enterprise" has the meaning assigned to it under section 2 of the Micro and Small Enterprises Act (Cap. 499C);

"Micro enterprise" has the meaning assigned to it under section 2 of the Micro and Small Enterprises Act (Cap. 499C);

"Secretariat" means the office of the Fund administrator and its staff tasked with the day-to-day operations and administration of the functions of the office established in regulation 16 of these regulations.

"Self-help group" means an informal group formed for the mutual support and benefit of its members;

"Village Savings and Loaning Association" means a group where members place their contributions on the table and then borrow immediately either as short-term or long-term loans, payable with some interest;

"Youth; has the meaning assigned to it under Article 260 of the Constitution.

3. Object of the Regulations

The purpose of these Regulations is to provide a framework for the implementation and administration of the Makueni County Empowerment Fund, its management, operational procedures and for the connected purposes.

PART II — ESTABLISHMENT OF THE MAKUENI COUNTY EMPOWERMENT FUND

4. Establishment of the Fund

- a) There is established a Fund to be known as the Makueni County Empowerment Fund as provided for in Section 35 of the Makueni County Social Protection Act, 2025.
- b) The Fund shall be domiciled in the County department responsible for youth, men, women, and persons with disabilities.

5. Purpose of the Fund

The Fund shall be to —

- a) provide access to capital and financing facilities to micro and small enterprises owned by the marginalized youth, men, women and persons with disabilities; individuals or groups who are residents of the County;

- b) support micro and small enterprises owned by the marginalized youth, men, women and persons with disabilities; individuals or groups to invest in micro and small enterprises;
- c) advance loans to micro and small enterprises owned by the marginalized youth, men, women and persons with disabilities; individuals or groups within the County;
- d) support marginalized youth, men, women and persons with disabilities; individuals or groups micro and small enterprises to develop linkages with large enterprises;
- e) facilitate the marketing of products and services of micro and small enterprises owned by marginalized youth, men, women and persons with disabilities; individuals or groups who are residents of the County in both domestic and international markets;
- f) facilitate training, mentor-ship and the provision of business development services marginalized youth, men, women and persons with disabilities; individuals or groups in the County; and
- g) Unless otherwise stated in writing, ensure equitable disbursement of the funds in all parts of the County and all successful applicants.

PART III- INSTITUTIONAL FRAMEWORK

6. Establishment of the Committee

There is established a committee to be known as the Makueni County Empowerment Fund Committee.

7. Powers and functions of the Committee

- 1) The Committee shall have all the powers necessary for the proper performance of its functions under these regulations.
- 2) Without prejudice to the generality of the provisions of sub-section (1) the Committee shall have the power to —
 - a) Approve or reject loan disbursements
 - b) collaborate with other partners and stakeholders in implementation, mobilization and management of resources for the Fund;
 - c) formulate and implement policies and guidelines for the Fund in consultation with the Department;
 - d) acquire assets and property on behalf of the Fund;
 - e) monitor the implementation of the Fund;
 - f) maintain and make publicly available information on the Fund; and
 - g) exercise such other lawful powers as may be confirmed by Regulations or other laws.
- 3) The Committee may delegate any of its functions to the Fund administrator.

8. Composition and appointment of members

- 1) The Committee shall consist of—
 - a) a non-executive chairperson appointed by the Governor, vetted and approved by the County Assembly;
 - b) the County Attorney or their representative duly nominated in writing;
 - c) the Chief Officer responsible for Finance or their representative duly nominated in writing;
 - d) the Chief Officer responsible for youth, men, women and persons with disabilities or their representative duly nominated in writing;
 - e) the Chief Officer responsible for Trade or their representative duly nominated in writing;
 - f) one Chief Officer from the Department of Agriculture, Irrigation, Livestock, Fisheries & Cooperative Development or their representative duly nominated in writing;
 - g) the Chief Officer responsible for Information and Communications Technology or their representative duly nominated in writing;
 - h) the fund administrator who shall be the secretary to the Committee;
- 2) The Committee may co-opt a person to assist it for a specific agenda or task for a definite and limited time.
- 3) A person shall be qualified for appointment as the Chairperson of the Committee if the person—
 - (a) Is not a public Officer,
 - (b) has knowledge and at least five years' experience in matters relating to finance, business, economics, agriculture or any other related field;
 - (c) holds a relevant bachelor's degree from a university recognized in Kenya;
 - (d) meets the requirements of chapter six of the Constitution.

9. Tenure of office

The Chairperson of the Committee appointed under regulation 8 shall be appointed for a term of three years and shall, subject to satisfactory performance, be eligible for reappointment for one final term.

10. Conduct of Business of the Committee

- 1) The conduct and regulation of the affairs of the Committee shall be set out in the First Schedule of these Regulations.
- 2) Except as provided in the First Schedule, the Committee may regulate its own procedure.

11. Remuneration of the Committee

The remuneration of the Committee members shall be determined by the Salaries and Remuneration Commission.

12. Removal of the Committee Chairperson from office

The Committee chairperson may be removed from office by the appointing authority for—

- a) Gross violation of the Constitution or any other law;
- b) gross misconduct, whether in the performance of the fund's function or otherwise;
- c) physical or mental incapacity to perform the functions of office;
- d) incompetence or neglect of duty;
- e) being adjudged bankrupt; and
- f) being convicted of a criminal offence and sentenced to a prison term exceeding six months; or
- g) Being absent without apology for three consecutive meetings of the Committee.

13. Vacancy in the office of the Committee Chairperson

1) The office of the Committee chairperson shall fall vacant —

- a) if the Chairperson resigns in writing to the appointing authority;
- b) if the Chairperson is removed under regulation 12;
- c) upon his/her death;
- d) upon the expiry of the his/her term.

2) Where the committee Chairperson's office falls vacant under regulation 13, the Fund administrator shall notify the appointing authority within seven (7) days of the occurrence and shall request for the appointment of a replacement.

14. Fund Administrator and secretariat

- a) There is established as secretariat which shall be headed by the fund administrator
- b) The secretariat shall comprise of—
 - i. The Fund administrator who shall be the accounting officer of the Fund;
 - ii. Such staff in the County Public Service as may be necessary for the exercise and performance of its functions.

15. Functions of Fund Administrator

The functions of the Fund administrator shall be as prescribed in section 116 of the Public Finance Management Act, 2012 and shall be to —

- a) ensure that the earnings of, or accruals to the Fund are retained in the Fund;
- b) ensure that the money held in the Fund including any earnings or accruals is spent only for the purposes for which the Fund is established;
- c) prepare accounts for the Fund each Financial Year;
- d) submit financial statements relating to those accounts to the Auditor-General; not later than three months after the end of each financial year;
- e) present the financial statements to the County Assembly; and
- f) ensure that the accounts for the Fund and the annual financial statement relating to those accounts comply with the accounting standards prescribed and published by the accounting standards from time to time.

16. Functions of the Secretariat

The functions of the secretariat shall be to—

- a) oversee day-to-day administration and management of the Fund;
- b) provide quarterly reports to the Committee;
- c) mobilize resources for the Fund;
- d) develop strategies, work plans and budgets to guide the operations of the Fund;
- e) foster partnerships and public relations with stakeholders;
- f) maintain a database and make information available to the public on the Fund;
- g) implement measures to ensure equitable sharing of resources of the Fund;
- h) prepare reports on the implementation, monitoring and evaluation of the Fund;
- i) acquire assets and property on behalf of the Fund;
- j) implement policy directives of the Committee; and
- k) perform any other duties as delegated by the Committee or the Executive Committee Member.

PART IV - ADMINISTRATION OF THE FUND

17. Sources of monies for the Fund

The Fund shall consist of-

- a) Monies appropriated by the County Assembly for purposes of the Fund;
- b) Any grants, gifts, donations, loans, or other endowments given to the Fund;

- c) Such Funds as may vest in or accrue in the course of the Committee exercise or performance of its functions under these regulations; and
- d) Monies from any other lawful source accruing to the Fund.

18. Opening of Fund Account

- 1) All monies received by the Fund shall be maintained in a separate bank account in the name of Makueni County Empowerment Fund opened and administered in accordance with the provisions of the Social Protection Act, 2025, Public Finance Manamgent Act, 2012 or any other written law.
- 2) The balance of the Fund at the close of each financial year shall be retained in the Fund for the purposes for which the Fund is established.

19. Fund expenditure

- 1) There shall be paid from the Fund___
 - a) loans to qualifying micro and small enterprises owned by youth, men, women and persons with disabilities;
 - b) loans to registered and qualifying self-help groups; and
 - c) payments in respect of any expenses incurred in pursuance of the object and purpose for which the Fund is established.
 - d) administrative costs in respect to the Fund
- 2) The expenses incurred in (1)(d) above, shall not exceed three percent (3%) of the approved budget of the Fund.
- 3) The expenditure incurred on the Fund shall be on the basis of and limited to annual budget estimates prepared by the Administrator of the Fund and approved by the Fund Committee.

20. Linkages and mentorship

- 1) The Executive Committee Member may, on the advice of the Committee, establish partnerships and linkages with stakeholders in order to provide business development and mentorship services to—
 - (a) youth, men, women and persons with disabilities; and
 - (b) Registered and qualified groups
- 2) The services provided under sub-regulation (1) shall, where possible, be provided at a subsidized rate to enable as many of them to receive the benefit of the services provided under these regulations.

21. ICT Integration

- 1) The Fund may operate through a comprehensive digital platform that integrates all fund management processes including customer onboarding, loan application, approval, disbursement, repayment, reporting and monitoring.
- 2) The digital platform shall be developed, maintained, and operated in accordance with the following principles:
 - a) transparency and accountability in all transactions;
 - b) accessibility through multiple channels;
 - c) security and data protection;
 - d) interoperability with existing county systems;
 - e) compliance with applicable laws and regulations.

22. Application, Disbursement and repayment of Loans

- 1) The mode of application, approval, disbursement and repayment of loans through the Fund, will be through a digital platform.
- 2) The Executive Committee Member may develop guidelines for the application, approval, disbursement and repayment procedures of the loan.
- 3) Without prejudice to the generality of sub-regulation (2), the guidelines shall include—
 - (a) equitable sharing of the fund disbursements in the County; and
 - (b) the payment of interest, administrative and insurance costs by the applicant.
- 4) A loan that remains unpaid beyond the agreed period of repayment may be recoverable as a debt due to the Fund.

PART V — REPORTING AND AUDITING OF THE FUND

23. Annual Estimates

- 1) At least three months before the commencement of each financial year the Committee 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-regulation (1) shall—
 - a) distinguish recurrent and disbursement expenditure; and
 - b) itemize every activity that the Committee intends to undertake in respect of the Fund in the next 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 regulation 18 of these Regulations.

24. Financial statements and audits

The Committee shall cause to be kept such books of accounts and other books in relation to 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) financial statements of the Fund; and
- b) such other statements of accounts as the County Executive Committee Member for Finance may approve.

25. Annual Report and publication

- 1) Pursuant to Section 116 (7) of the Act, the fund administrator shall—
 - a) within a period of three months after the end of the financial year submit to the Executive Committee Member a report of the operations of the Fund and the Committee during such year
 - b) prepare accounts for the fund for each financial year;
 - c) prepare the financial statements relating to the fund and submit to the Executive Committee Member responsible for Finance for presentation to the County Assembly;
 - d) ensure that the accounts for the fund and the annual financial statements relating to those accounts comply with the accounting standards prescribed and published by the accounting standards board from time to time.
- 2) The funds and usage of money through the fund shall be published and publicized in line with the provisions of Section 116 (11) of the Act.

PART VI — GENERAL PROVISIONS

26. Offences

- 1) An applicant who fails to give proper information or gives inaccurate or misleading information or falsifies information or misrepresents information required under these Regulations to obtain a loan, commits an offence.
- 2) A public officer who-

- a) Takes possession of the funds or assets of the Fund without lawful authority;
- b) Misappropriates funds or assets of the Fund;
- c) Causes any person to misappropriate or apply the funds otherwise than in the manner provided in these Regulations;
- d) Conceals information on the finances of the Fund to obtain a financial benefit either for the officer or another person; or
- e) Engages in a corrupt act, that public officer commits an offence.

27. Penalties

A person who contravenes the provisions of Regulation 25 of these Regulations commits an offence and is liable to conviction in the penalty prescribed in the Act.

28. Protection from personal liability

Nothing done by a person exercising authority or power under these regulations shall, if the matter or thing was done or omitted in good faith, for the purpose of executing these regulations, be subjected to any action, suit, claim, or demand whatsoever.

29. Winding up of the Fund.

- 1) On the winding up of the fund—
 - a) the administrator of the fund shall pay any amount remaining in the fund into the County Exchequer Account,
 - b) the County Executive Committee member for finance shall, with the approval of the County Assembly, pay any deficit in the fund from the County Exchequer Account; and
 - c) Transfer any other assets of the Fund to the County Government.
 - d) All debts not paid by the beneficiaries shall be recovered in the name of the County Government and deposited in the County Exchequer Account.

30. Guidelines.

The Executive Committee Member may, in consultation with the Committee issue guidelines for the better carrying out of these regulations.

PART VII- TRANSITIONAL PROVISIONS

All the funds and other assets, rights, powers and liabilities which immediately before coming into force of these Regulations, were vested in, imposed on or enforceable against the Fund revoked by paragraph (1) shall, by virtue of this paragraph, be vested in, imposed or enforceable against the Fund.

31. Revocation of LN. 2 /2024

- 1) The Public Finance Management (Makueni County Empowerment Fund) Regulations, 2024 are revoked.

FIRST SCHEDULE (Regulation 10 (1))

Conduct of Business of the Committee

1. The Committee shall meet not less than four times in every financial year and not more than three months shall elapse between the date of one meeting and the date of the next meeting.
2. At the first meeting, the committee shall elect a vice-chairperson amongst their number, who shall be a person of the opposite sex.
3. A meeting of the committee shall be held on such date and at such time and place as the committee may determine.
4. The Chairperson shall, on the request of at least one-third of the members, convene a special meeting of the committee.
5. Notwithstanding the provisions of paragraph (1), the Chairperson may call a meeting at any time where it is considered expedient for the transaction of the business of the committee, by giving to the members written notice of not less than seven days.
6. The Chairperson shall preside at every meeting of the committee and in the absence of the Chairperson, the vice-chairperson shall preside and in the absence of both the chairperson and the vice-chairperson, the members present shall elect one of their members who has, with respect to that meeting and the business transacted thereat, have all the powers of the chairperson.
7. The quorum for the conduct of business at a committee meeting shall be at least half of the members.
8. If any person has a personal or fiduciary interest in any matter before the committee, and is present at a meeting of the committee in which any matter is the subject of consideration, that person shall as soon as is practicable after the commencement of the meeting, declare such interest and shall not take part in any consideration or discussion of, or vote on any question touching on the matter.
9. A disclosure of interest made under paragraph 8 shall be recorded in the minutes of the meeting at which it is made.
10. Unless a unanimous decision is reached, a decision on any matter before the Committee shall be by consensus of a majority of all the members present and voting at the meeting.
11. The Committee shall cause minutes of all proceedings of meetings to be recorded.
12. Unless otherwise provided by or under any law, all instruments made by and decisions of the Committee shall be signified under the hand of the chairperson.

Made on the.....day of.....2025

DAMARIS MUMO KAVOI,
County Executive Committee Member Finance,
Planning, Budget & Revenue and Head of County
Treasury.

