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COUNTY GOVERNMENT OF BUNGOMA



COUNTY ASSEMBLY OF BUNGOMA

THIRD COUNTY ASSEMBLY—SECOND SESSION.

**REPORT OF THE COMMITTEE ON DELEGATED COUNTY
LEGISLATION**

ON

**BUNGOMA COUNTY TRADE DEVELOPMENT LOANS FUND
REGULATIONS, 2023.**

**THE CLERK'S OFFICE
BUNGOMA COUNTY ASSEMBLY
P.O. BOX 1886 – 50200
BUNGOMA.**

AUGUST, 2023

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CHAPTER ONE

1.0 PREFACE

The Public Finance Management (Bungoma Trade Development Loans Fund) Regulations, 2023, Legal Notice No. 1 of 2023 was made by the County Executive Member for Finance pursuant to the provisions section 116 of the Public Finance Management Act, 2012.

The Regulations were submitted to the Clerk of the County Assembly of Bungoma on 12th April, 2023 and tabled before the House on 20th June, 2023 hence within the statutory timelines contemplated under section 11(1) of the statutory Instrument Acts, 2023. Subsequently, the Regulation was referred to the Committee on Delegated County Legislation as provided for in Standing Order 214(3) of the County Assembly of Bungoma for consideration.

1.1 Establishment of the Committee on Delegated County Legislation

The Committee on Delegated County Legislation is established pursuant to the County Assembly Standing Orders No. 214 which states:

- 1) There shall be a select Committee to be known as the Committee on Delegated County Legislation.
- 2) The Committee shall comprise of a chairperson and not more than ten other members.

Mandate of the committee

Standing Order 214(3) provides that Whenever a statutory instrument is submitted to the County Assembly pursuant to the Constitution, any law or these Standing Orders, the statutory instrument shall, unless a contrary intention appears in the relevant legislation, be laid before the County Assembly by the Chair relevant Sectoral Committee, or any other member and shall thereafter stand referred to the Committee on Delegated County Legislations.

In executing its mandate the Committee on County Delegated Legislation is guided by Standing Order 214(4) (5) & (6) of the County Assembly of Bungoma Standing Orders which states that:-

- 4) The Committee shall consider in respect of any statutory instrument whether the statutory instrument-
- a) is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law;
 - b) infringes on fundamental rights and freedoms of the public;
 - c) contains a matter which in the opinion of the Committee should more Properly be dealt with in an Act of Parliament;
 - d) contains imposition of taxation;
 - e) Directly or indirectly bars the jurisdiction of the courts;
 - f) gives retrospective effect to any of the provisions in respect of which the Constitution or the Act does not expressly give any such power;
 - g) involves expenditure from the Consolidated Fund or other public revenues;
 - h) is defective in its drafting or for any reason, the form or purport of the Statutory instrument calls for any elucidation;
 - i) appears to make some unusual or unexpected use of the powers conferred by the Constitution or the Act pursuant to which it is made;
 - j) appears to have had unjustifiable delay in its publication or laying before Parliament;
 - k) makes rights, liberties or obligations unduly dependent upon non-reviewable decisions;
 - l) makes rights, liberties or obligations unduly dependent insufficiently defined administrative powers;
 - m) inappropriately delegates legislative powers;
 - n) imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;
 - o) appears for any reason to infringe on the rule of law;
 - p) inadequately subjects the exercise of legislative power to Parliamentary scrutiny; and
 - q) accords to any other reason that the Committee considers fit to examine.

5) If the Committee

- a) resolves that the statutory instrument, be acceded to, the Clerk shall convey that resolution to the relevant County department or the authority that published the statutory instrument;
 - b) does not accede to the statutory instrument, or part of a statutory instrument, the Committee may recommend to the House that the County Assembly resolves that all or any part of the statutory instrument, as the case may be, be annulled. If a resolution is passed by the County Assembly within twenty days on which it next sits after the instrument laid before it under paragraph (2), that all or part of the statutory instrument be annulled, the instrument or part thereof shall henceforth stand annulled.
- 6) In this Standing Order, "statutory instrument" means any rule, order, regulation, direction, form, tariff of costs or fees, letter patent, commission, warrant, proclamation, by-law, resolution, guideline or other instrument issued, made or established in the execution of a power conferred by or under an Act of the County Assembly under which that statutory instrument or subsidiary legislation is expressly authorized to be issued"

1.3 COMMITTEE MEMBERSHIP

Mr. Speaker, the committee as currently constituted comprises of :-

- | | | |
|-----------------------|-----------|------------------|
| 1. Hon. George kwemoi | Tendet | Chairperson |
| 2. Hon. Ndasaba | Dorcas | Vice chairperson |
| 3. Hon. Aggrey | Mulongo | Member |
| 4. Hon. Godfrey | Wanyama | Member |
| 5. Hon. Martin | Chemorion | Member |
| 6. Hon. Angeline | Rugut | Member |
| 7. Hon. Aggrey | Bosire | Member |
| 8. Hon. Florence | Juma | Member |
| 9. Hon. Metrine | Wilson | Member |
| 10. Hon. Wafula | Waiti | Member |
| 11. Hon. Allan | Nyongesa | Member |

1.3 ACKNOWLEDGEMENT

Mr. Speaker,

The Committee is alive to the immense support accorded to it by the Members of the County Assembly through their concerns and contributions. This cannot be over looked.

On behalf of the Committee Members, I wish to extend our sincere appreciation for the invaluable support accorded to the Committee by your Office and that of the Clerk in ensuring the Committee discharge its mandate.

I would also like to sincerely thank the Hon. Members of the Committee on Delegated County Legislation for the commitment exhibited during the scrutinizing and compiling of this report.

Finally, Mr. Speaker, it is now my pleasure, on behalf of the Committee to present this report to the House for adoption.

Thank you.

Signed.......... Date.....7/8/2023.....

Hon. George Kwemoi Tendet MCA Mt. Elgon Ward

Chairperson, Committee on Delegated County Legislation.

CHAPTER TWO

2.0 INTRODUCTION

Bungoma County Trade Development Loans Fund regulation 2023 was published on 5th April,2023 and was submitted to the County Assembly of Bungoma on 12th April 2023.having been tabled on 20th June,2023. It was referred to the committee on Delegated County legislation pursuant to Standing Order 214(3). Further, pursuant to the provisions of the statutory instrument Act,2013, the committee had to scrutinize the regulation and compile a report.

2.1 LEGAL AUTHORITY AND OBJECTS OF PUBLIC FINANCE MANAGEMENT (BUNGOMA COUNTY TRADE DEVELOPMENT LOAN FUND) REGULATIONS, 2023

Section 116(1) of the Public Finance Management Act, 2012 provides for power of the County Executive Committee Member for Finance to establish other public funds with the approval of the County Executive Committee and the County Assembly. Under section 116(2) the law, provides that every County Public Fund established, the County Executive Committee Member for Finance shall designate a person responsible for administering the Fund. Critically, the Public Finance Management Act, 2012 contemplates that the officer administering the Fund to administer the Bungoma County Trade Development Loan for the County Government in accordance with the framework and criteria approved by the County Assembly.

2.2 Objects of the Public Finance Management (Bungoma County Trade Development Loan Fund) Regulations 2023.

The object and purpose of the Public Finance Management (Bungoma County Trade Development Loan Fund) Regulation 2023 is operationalizing the specific provisions of section 116 of the Public Finance Management Act, 2012. Further, the Regulations seeks to establish a legal and institution Framework to facilitate access to affordable credit by resident micro, small and medium scale entrepreneurs.

2.3 The Public Finance Management (Bungoma County Trade Development Loans Fund) Regulations, 2023

Section 116 of the Public Finance Management Act, 2012 provides for the powers of the County Executive Committee Member for finance to establish other County public Funds with the approval of the County Executive Committee and the County Assembly.

Section 116(2) of the Act provides that every County Public Fund established, the County Executive Committee Member for Finance shall designate a person responsible for administering the fund.

Section 116(3) of the Act provides that the administrator of the County Public Fund shall ensure that the earnings of, or accruals to a County Public Fund are retained in the Fund, unless the County Executive Committee Member for Finance directs otherwise.

Section 116(4) of the Act, provides that the Administrator of the County Public Fund shall ensure that money held in the Fund, including any earnings or accruals referred to in subsection (3) is spent only for the purpose for which the fund is established.

CHAPTER THREE

3.0 SCRUTINY OF THE INSTRUMENT

The Public Finance Management (Bungoma County Trade Development Loan Fund) Regulation, 2023 seeks to establish a legal and institutional framework to facilitate access to affordable credit by resident micro, small and medium scale entrepreneurs.

3.1 ANALYSIS OF THE REGULATIONS

- a) Regulation 2 provides for definitions of terms as used in the Regulations.
- b) Regulation 3 established a Fund to be known as the Bungoma County Trade Development Loan Fund.
- c) Regulation 4 provides for the object and purpose of the Fund.
- d) Regulation 5 provides the guiding principles in the administration of the Fund which includes among others public participation and inclusiveness.
- e) Regulation 6 provides the designation of the Fund Administrator to administer the Fund while regulation 7 and 8 provides for the functions vacation of office of the Fund administrator.
- f) Regulation 9 provides revenue and expenditure of the Fund, where the initial capital shall be appropriated by the County Assembly and other sources of income includes gifts or grants, contribution, sum representing repayment of capital on any loan and interest accrued on the loan. Further this regulation provides for 3% of the sum allocated for the Fund to be utilized for administrative costs.
- g) Regulation 10 establishes the Bungoma County Trade Development Loan Fund Committee and further provides the qualification of members appointed under regulation 10(1)(d) of the Regulations.
- h) Regulation 11 provides for terms and conditions of service of County Committee, while Regulation 12 and 13 provides for vacation of office and function of the Committee respectively.
- i) Regulation 14 provides the delegation by the Committee.

- j) Regulation 15 establishes the Ward Development Loans Committee, while regulation 16 and 17 outlines terms and conditions of service and vacation of office of the Ward Committees.
- k) Regulation 18 and 19 details the functions and conduct of business of the Ward Committee.
- l) Regulation 20 establishes a secretariat to the Fund, while regulation 21 and 22 lay down the composition and function of the secretariat.
- m) Regulation 23 details the criteria to be followed in accessing applicants who qualify to be given a loan, on the hand regulation 24 and 25 provides for the application forms and conditions for issuance of loans. Regulation 24(6) makes it an offence for loan applicant to provide misleading information during filling application form which imposed a fine of kshs 50,000 or an imprisonment of not less than 6 months.
- n) Regulation 26 provides for the grace period of one month and for the repayment period of two years. Further it stipulates the interests chargeable on the loan to be 5% per annum on reducing balance. Regulation 27 provides that in-case of default, the loan shall be treated as civil debt payable with interests and incase the beneficiary is unable to pay, the guarantor shall be engaged and finally a debt recovery agent.
- o) Regulation 28 provides how documents related to fund shall be kept by the secretariat.
- p) Regulation 29 provides for the Fund Bank Account, while regulation 30 outlines the signatory to the Fund account as; Fund Administrator, Chief Officer responsible for matters trade and Chief Officers responsible for matters treasury.
- q) Regulation 31 stipulates the planning and budgetary process of the fund to be done in accordance with section 125 of the Public Finance Management Act 2012. On the other hand, regulation 32 obligates the of office of the Auditor General carry out audit in accordance with the provisions of the Public Audit Act, 2015.
- r) Regulation 33 provides an avenue for any applicant who is aggrieved by the decision of the board to appeal to the CECM responsible for matters Trade within 14 days of communication of the decision.

- s) Regulation 34 gives power to the CECM responsible for matters Finance to issue guidelines for better carrying out of the the provision of these Regulations.
- t) Regulation 35 gives power the CECM responsible for matters Finance with approval of the County Assembly to wind up the Fund.
- u) Regulation 36 provides for consequential amendments (saving provisions).
- v) First schedule provides on the conduct of business and affairs of committees while second schedule provides for an application form.
- w) Third schedule details the products under the Bungoma County Trade Development Loan which includes:
 - i. Individual loan
 - ii. Asset acquisition loan
 - iii. LPO/LSO financing.

Mr. Speaker,

Under Section 13, the Committee is required, while carrying out its scrutiny of any statutory instrument, be guided by the principles of good governance and rule of law.

The Committee found out that the Regulations:

- a) Is in accord with the provisions of the Constitution, the Act pursuant to which it is made or other relevant written law;
- b) Do not infringe on fundamental rights and freedoms of the public;
- c) Do not contain a matter which in the opinion of the Committee should more properly be dealt with in an Act of County Assembly;
- d) Do not contain imposition of taxation;
- e) Do not directly or indirectly bar the jurisdiction of the Courts;
- f) Do not give retrospective effect to any of the provisions in respect of which the Constitution or the Act does not expressly give any such power;
- g) Do involve expenditure from the County Revenue Fund appropriated through the PFM Act, 2012 section 116(1) and approved through these Regulations;
- h) Is not defective in their drafting and for any reason in their form or purport call for any elucidation;
- i) Does not make some unusual or unexpected use of the powers conferred by the Constitution or the Act pursuant to which they are made;

- j) Do not appear to have had unjustifiable delay in the publication or laying before the Assembly;
- k) Do not make rights, liberties or obligations unduly dependent upon non-reviewable decisions;
- l) Does make rights, liberties or obligations unduly dependent insufficiently defined administrative powers;
- m) Do not inappropriately delegates legislative powers;
- n) It imposes a fine, imprisonment or other penalty without express authority having been provided for in the enabling legislation;
- o) Do not appear for any reason to infringe on the rule of law;
- p) Do not inadequately subject the exercise of legislative power to the County Assembly scrutiny; and
- q) It accords to any other reason that the committee considers fit to examine

CHAPTER FOUR

4.0 COMMITTEE OBSERVATIONS AND RECOMMENDATION

4.1.1 Observations

Mr. Speaker sir, the committee observed the following:

1. Cognizant of the fact that under Regulation 13 (e), one of the functions of the County Trade Loan Management Committee is to approve the Application form. Therefore, the Fund Administrator should be the final approver on the application form instead of the Ward Administrator and thus the application form should be amended so that the Fund Administrator is the final approver.
2. That Regulation 26 on grace period of successful applicant and the grace period provided in the third schedule are inconsistency whereas in regulation 26 gives one month grace period and in third schedule provides two months grace period. The committee urges the regulation making authority to amend this regulation and third schedule to reflect "two months grace period".
3. That Regulation 33 provides an avenue for any applicant who is aggrieved by the decision of the **Board** to appeal to the CECM responsible for matters Trade within 14 days of communication of the decision, whereas in the Regulations no **Board** has been established thus the word "**Board**" need to be substituted with the word "**Committee**".
4. Regulation 36 provides for the review of the Draft Bungoma County Trade Development Fund Regulation, 2014, whereas the approved Regulation cannot be used to review a draft regulation. Such provision applies to the published and approved Regulations only. Thus, the committee urge the executive to delete Regulation (36) (1) & (2) entirely.
5. That the second schedule provides for a loan application form which bears name "Ward Trade Loan Scheme" instead of "County Trade Development Loan Scheme" which is the name of the scheme established under Regulation 3 of the Regulations. To this end the regulation making authority is urged to amend the title of the application form to reflect the name of the Fund so as to read "**Bungoma County Trade Development Loan Scheme**".

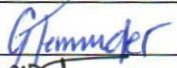





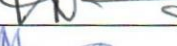




4.1.2 Committee Recommendation

The committee recommended the following:

That Pursuant to Standing Order 214(5)(b) of the County Assembly of Bungoma Standing Orders, the committee recommends that this House to Annul Regulations 26(1), 33, 36, second and Third schedules to the Public Finance Management (Bungoma County Trade Loan Fund) Regulations, 2023 gazzeted on 5th April 2023.

ADOPTION SCHEDULE

Members of the Committee on Delegated County Legislation hereby append their signatures adopting this report

NAME	TITLE	SIGN
1.Hon George K. Tendeti	Chairperson	
2.Hon Ndasaba Dorcas	V. Chairperson	
3.Hon. Aggrey Mulongo	Member	
4.Hon. Wafula Waiti	Member	
5.Hon. Martin Chemorion	Member	
6.Hon. Godfrey Wanyama	Member	
7.Hon. Metrine Wilson	Member	
8.Hon. Florence Juma	Member	
9.Hon. Allan Nyongesa	Member	
10.Hon. Angeline Rugut	Member	
11.Hon. Bosire Aggrey	Member	

ANNEXURES

1. Minutes for adoption of the report.
2. Bungoma County Trade Development Loans Fund Regulations, 2023.

**MINUTES OF COMMITTEE ON DELEGATED COUNTY
LEGISLATION MEETING HELD ON 7THAUGUST,2023 IN
DIVINE HOME RESORT IN CONFERENCE ROOM AT 9:00 A.M**

MEMBERS PRESENT;

1. Hon. George kwemoi Chairperson
2. Hon. Ndasaba Dorcas Vice-chairperson
3. Hon. Allan Nyongesa Member
4. Hon. Florence Juma Member
5. Hon. Angeline Rugut Member
6. Hon. Bosire Aggrey Member
7. Hon. Aggrey Mulongo Member
8. Hon. Wafula Waiti Member
9. Hon. Metrine Wilson Member
10. Hon. Martin Chemorion Member
11. Hon. Godfrey Mukwana Member

SECRETARIATS

1. James Sundukwa Committee clerk
2. Mildred Indiviza S.A.A
3. Evans Mang'ara legal clerk
4. John Muchungi Hansard officer
5. George Kituyi Researcher officer

IN ATTENDANCE

1. Stephen Sitati Fund administrator
2. Cythia Nanyokia legal officer

AGENDA:

1. Prayer
2. Adoption of agenda
3. Communication from the Chairperson
4. Scrutiny of Bungoma County Trade Development Loan Fund Regulation 2023

MIN.DLC/01/7/08/2023- PRELIMINARIES

i. Prayer

The chairperson called the meeting to order at 9:17 a.m. and let the members into the opening prayers from the Standing Orders.

ii. Adoption of agenda

On proposal by Hon. Wafula Waiti seconded by Hon. Martin Chemorion the agenda of the day was adopted.

MIN.DCL/02/7/08/2023-COMMUNICATION FROM THE CHAIRPERSON

The chairperson welcomed members to the committee and appreciated them for keeping time, he did a brief introduction of members of the committee, secretariat and visitors from the Executive.

MIN.DLC.03/7/08/2023- SCRUTINY OF BUNGOMA COUNTY TRADE DEVELOPMENT LOAN FUND REGULATION 2023

Hon. Members were taken through the regulation by the fund administrator and the committee observed the following:

- I. That Regulation 33 provides an avenue for any applicant who is aggrieved by the decision of the **Board** to appeal to the CECM responsible for matters Trade within 14 days of communication of the decision, whereas in the Regulations no

Board has been established thus the word **board** need to be substituted with the word **Committee**.

- II. That Regulation 26 on grace period of successful applicant and the grace period provided in the third schedule are inconsistency whereas in regulation 26 gives one month grace period and in third schedule provides two months grace period. The committee urges the regulation making authority to amend this regulation and third schedule to reflect “two months grace period”.
- III. Regulation 36 provides for the review of the Draft Bungoma County Trade Development Fund Regulation, 2014, whereas the approved Regulation cannot be used to review a draft regulation. Such provision applies to the published and approved Regulations only. Thus, the committee urge the executive to delete Regulation (36) (1) & (2) entirely.
- IV. That the second schedule provides for a loan application form which bears name “Ward Trade Loan Scheme” instead of “County Trade Development Loan Scheme” which is the name of the scheme established under Regulation 3 of the Regulations. To this end the regulation making authority is urged to amend the title of the application form to reflect the name of the fund to appear as established in Regulation 3.
- V. Cognizant of the fact that under Regulation 13 (e), one of the functions of the County Trade Loan Management Loan is to approve the Application form. Therefore, the Fund Administrator should be the final approver on the application form instead of the ward Administrator and thus the application form should be amended so that the Fund administrator is the final approver.

The committee recommended the following:

That Pursuant to Standing Order 214(5)(b) of the County Assembly of Bungoma Standing Orders, the committee recommends that this House to Annul Regulations 26(1), 33, 36, second and Third schedules to the Public Finance Management (Bungoma County Trade Loan Fund) Regulations, 2023 gazzeted on 5th April 2023. The report was adopted by the proposal by Hon. Allan Nyongesa and seconded by Hon. Florence Juma.

ADJOURNMENT

There being no other business the meeting adjourned at 3:38 p.m.

CONFIRMATION:

Committee clerk; James Sundukwa

Sign [Signature] Date 9/8/2023

Chairperson HON. GEORGE KWEMOT TENDEI

Sign [Signature] Date 7/8/2023

Tabled 20/4/2023

SPECIAL ISSUE

Kenya Gazette Supplement No. 1

5th April, 2023

(Bungoma County Legislative Supplement No. 1)

LEGAL NOTICE NO. 1

THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

THE PUBLIC FINANCE MANAGEMENT (BUNGOMA COUNTY TRADE DEVELOPMENT LOANS FUND) REGULATIONS, 2023

ARRANGEMENT OF REGULATIONS

Regulation

- 1—Short title.
- 2—Interpretation.
- 3—Establishment of the Fund.
- 4—Object of the Fund.
- 5—Guiding Principles of the Fund.
- 6—Administration of the Fund.
- 7—Functions of the Fund Administrator.
- 8—Vacation of office by the Fund Administrator.
- 9—Revenue and expenditure of the Fund.
- 10—Establishment of the Bungoma County Trade Development Loans Fund Committee.
- 11—Terms and conditions of service of the County Committee.
- 12—Vacation of office of member of County Committee.
- 13—Functions of the County Committee.
- 14—Delegation by the County Committee.
- 15—Establishment of the Ward Trade Development Loans Fund Committee.
- 16—Terms and conditions of service of the Ward Committee.
- 17—Vacation of office of member of the Ward Committee.
- 18—Functions of the Ward Committee.
- 19—Conduct of affairs of the business of the Ward Committee.
- 20—Establishment of Bungoma County Trade Development Loans Fund Secretariat.
- 21—Composition of the Secretariat.
- 22—Functions of the Secretariat.
- 23—Eligibility Criteria for the Loan.

- 24—Application for Loans.
- 25—Conditions for issuance of loan.
- 26—Loan Repayments.
- 27—Recovery of a loan in case of default.
- 28—Registry and Documents.
- 29—Fund Bank Account.
- 30—Bank Account Signatories.
- 31—Planning and Budgeting Process.
- 32—Audit.
- 33—Appeals and Reviews.
- 34—Power to issue guidelines.
- 35—Winding up of the Fund.
- 36—Consequential Amendment.

THE PUBLIC FINANCE MANAGEMENT ACT

(No. 18 of 2012)

IN EXERCISE of the Powers conferred by section 116 of the Public Finance Management Act, 2012, the County Executive Committee Member responsible for Finance makes the following Regulations—

THE PUBLIC FINANCE MANAGEMENT (BUNGOMA COUNTY TRADE DEVELOPMENT LOANS FUND) REGULATIONS, 2023

Short title

1. These Regulations may be cited as the Public Finance Management (Bungoma County Trade Development Loans Fund) Regulations, 2023.

Interpretation

2. In these regulations, unless the context otherwise requires—

“Applicant” means a person who submits a formal application for consideration of the Bungoma County Trade Development Loans Fund;

“County Chief Officer” means the County Chief Officer for the time being responsible for matters relating to Trade;

“County Committee” means the Bungoma County Trade Development Loans Fund Committee established under Regulation 10;

“County Executive Committee Member” means the County Executive Committee Member for the time being responsible for matters relating to Trade;

“Fund” means the Bungoma County Trade Development Loans Fund established under Regulation 3;

“Fund Administrator” means a person appointed to manage day to day affairs of the County Trade Development Loans Fund under Regulation 6;

“Loanee” means an applicant whose loan request has been approved and granted under these Regulations;

“Person” includes a company, association or other body of persons whether incorporated or unincorporated;

“Prescribed” means prescribed by the County Executive Committee Member;

“Secretariat” means the Bungoma County Trade Development Loans Fund Secretariat established under Regulation 20;

“Successful applicant” means a person who meets all the required qualification and selected by the County Committee to receive the trade loan;

“Unsuccessful applicant” means a person who fails to meet the minimum required qualifications to receive the trade loan; and

“Ward Committee” means the Ward Trade Development Loans Fund Committee established under Regulation 15.

Establishment of the Fund

3. (1) There is hereby established a Fund to be known as the Bungoma County Trade Development Loans Fund.

(2) The Fund shall be a body corporate with a common seal, and shall have power to acquire, own, possess and dispose of property, and to contract, and to sue and be sued in its own name.

(3) The Fund shall exist for a period of ten years. The authority to extend the Fund lifespan to a period greater than ten years shall be sought from the County Executive Committee and the County Assembly.

Object of the Fund

4. The object and purpose of the Fund shall be to—

- (a) establish a legal and institutional framework to facilitate access to affordable credit by resident micro, small and medium scale entrepreneurs;
- (b) capacity build resident micro, small and medium scale entrepreneurs;
- (c) improve livelihood; and
- (d) increase revenue collection.

Guiding Principles of operating the Fund

5. In the exercise of the powers or the performance of functions under these Regulations, the County Executive Committee Member, the Committee and the Secretariat shall be guided by the following principles—

- (a) public participation and financial inclusiveness;
- (b) protection of the interests of the marginalized, persons with disability, women and youth;
- (c) local ownership and sustainability; and
- (d) promotion of value addition.

Administration of the Fund

6. (1) The Fund shall—

- (a) be administered by a Fund Administrator designated in writing by the County Executive Committee member responsible for Finance and Economic Planning;
- (b) set uniform standards in the management of the Fund throughout the County; and
- (c) ensure equal and fair treatment of micro, small and medium entrepreneurs when accessing loans.

(2) A person shall be qualified for appointment under sub - regulation 6 (1) (a) if that person—

- (a) holds at least a degree from a recognized educational institution in Kenya;
- (b) has at least five years senior management experience in—
 - (i) finance and banking;
 - (ii) accounting and auditing;
 - (iii) economics;

- (iv) entrepreneurship; or
- (v) any other relevant field; and
- (c) meets the requirements of leadership and integrity as provided for in Chapter Six of the Constitution and any other relevant national legislation.

Functions of the Fund Administrator

7. (1) The Fund Administrator shall—

- (a) undertake supervision and control the administration of the Fund;
- (b) ensure that money held in the Fund is spent only for the purposes for which the Fund is established;
- (c) ensure disbursement of monies out of the Fund is done in accordance to these Regulations;
- (d) ensure repayments are made in accordance with the provisions of these Regulations;
- (e) cause to be kept proper books of accounts and other books and records in relation to the Fund and for all loans financed from the Fund;
- (f) prepare a financial statement for the Fund each financial year in a form prescribed by the Accounting Standards Board;
- (g) 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;
- (h) prepare quarterly financial statements for the Fund including its financial and non-financial performance in a form prescribed by the Accounting Standards Board;
- (i) not later than three months after the end of each financial year, prepare, sign and transmit to the Auditor-General a statement of accounts relating to the Fund, prepared and signed by him specifying the income of the Fund and showing the expenditure incurred from the Fund, in such details as the Committee may from time to time direct in accordance with the Public Finance Management Act;
- (j) not later than fifteen days after the end of each quarter, submit quarterly reports to the County Committee for approval and onward submission to the County Executive Committee Member and further submission to the County Assembly;
- (k) furnish such additional information as he or she may deem fit to be proper and sufficient for the purpose of examination and audit by the Controller of Budget and the Auditor-General; and
- (l) perform such other functions as assigned from time to time by the County Executive Committee Member.

(2) Every statement of account prepared under this Regulation shall include details of the balances between the assets and liabilities of the Fund and shall indicate the financial status of the Fund as at the end of the financial year concerned.

Vacation of office by Fund Administrator

8. (1) The office of the Fund Administrator shall become vacant if the member—
- (a) contravenes Chapter Six of the Constitution of Kenya, 2010;
 - (b) is adjudged bankrupt by a Court of Law;
 - (c) is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months;
 - (d) resigns in writing addressed to the Committee;
 - (e) is removed from office as recommended by the Committee as guided by PFM Act for—
 - (i) being unable to perform the functions of his/her office by reason of incapacitation;
 - (ii) failing to declare his/her interest in any matter being considered or to be considered by the Secretariat or the Committee;
 - (iii) fails to perform his or her duties in accordance with the terms and conditions of appointment;
 - (f) gross misconduct;
 - (g) winding up of the Fund pursuant to Regulation 3 (3); or
 - (h) dies.

Revenue and expenditure of the Fund

9. (1) There shall be credited to the Fund—
- (a) the initial or seed money appropriated by the County Assembly;
 - (b) such monies as may be appropriated by the County Assembly;
 - (c) sums received as contributions, gifts or grants from any lawful sources;
 - (d) any interest on loans from the loanees of the Fund;
 - (e) sums which represent the repayment of the capital of any loan granted from the Fund;
 - (f) sums which represent the administration fee accrued from any loan granted from the Fund; and
 - (g) income from any investment made by the Fund.
- (2) There shall be paid from the Fund, 3% of sums allocated for Fund administration.

Establishment of the Bungoma County Trade Development Loans Fund Committee

10. (1) There is established a County Committee to be known as the Bungoma County Trade Development Loans Fund Committee which shall consist of—
- (a) the County Chief Officer in the County Department for the time being responsible for matters relating to Trade who shall be the Chairperson;
 - (b) the County Chief Officer in the County Department for the time being responsible for Finance or a representative appointed in writing;

- (c) the County Attorney or a representative appointed in writing;
 - (d) five (5) persons, not being public officers, who shall be appointed by the County Executive Committee Member through a competitive and transparent recruitment process;
 - (e) the Fund Administrator who shall be the Secretary to the Committee.
- (2) The persons under sub- regulation (1) (d) shall hold office for a term of three years renewable for one further term.
- (3) A person shall be qualified for appointment under sub- regulation (1) (d) if that person—
- (a) holds at least a diploma from a recognized educational institution or college in Kenya;
 - (b) has at least five years senior management experience in—
 - (i) finance and banking;
 - (ii) accounting and auditing;
 - (iii) economics;
 - (iv) entrepreneurship; or
 - (v) any other relevant field; and
 - (c) meets the requirements of leadership and integrity as provided for in Chapter Six of the Constitution and any other relevant national legislation.
- (4) In making the appointments under sub - regulation 1 (d) consideration has to be made to the two thirds gender rule, persons living with disability, women, youth and the provisions of Article 27 of the Constitution of Kenya.

Terms and conditions of service of the County Committee

11. The members of the County Committee shall be paid such allowances as determined by the Salaries and Remuneration Commission guidelines.

Vacation of office of member of County Committee

12. (1) The office of a member of the County Committee appointed under Regulation 10 (1) (d) shall become vacant if the member—
- (a) is adjudged bankrupt;
 - (b) is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months;
 - (c) is convicted of an offence involving fraud or dishonesty;
 - (d) is absent, without reasonable cause, from three consecutive meetings of the Committee;
 - (e) resigns in writing addressed to the County Executive Committee Member;
 - (f) is removed from office by the County Executive Committee Member for—
 - (i) being unable to perform the functions of his office by reason of mental or physical incapacitation; or

- (ii) failing to declare his interest in any matter being considered or to be considered by the Committee;
- (g) demonstrates gross misconduct;
- (h) office is abolished; and
- (i) dies.

Functions of the County Committee

13. The functions of the County Committee are to—
- (a) formulate policies relating to the Fund including credit policy, liquidity policy, savings policy and any other relevant policies;
 - (b) advise the County Government on the structure and operations of the Fund;
 - (c) establish uniform standards for the operations of the Fund;
 - (d) mobilize resources for the enhancement of the Fund's mandate;
 - (e) receive the names forwarded by the Ward Committee, approve and issue the disbursements to the successful applicants;
 - (f) partner with financial institutions licensed to operate within the County for purposes of negotiating business stimulus packages meant to fulfill the objectives of the Fund.
 - (g) keep disaggregated data by sex, age, region and other relevant regulations;
 - (h) undertake periodic review of the legal framework;
 - (i) formulate training, development and capacity building programmes for its employees;
 - (j) ensure compliance within the Fund operations, sound financial management regulation;
 - (k) provide where necessary management support services to eligible persons;
 - (l) protect the long term viability of the Fund;
 - (m) collaborate with relevant institutions so as to promote access to credit and other financial services;
 - (n) monitor and evaluate the performance of the Fund; and
 - (o) perform any other functions assigned to it under these Regulations.

Delegation by the County Committee

14. (1) The Committee may establish such sub-committees as it may consider necessary for the better performance of its functions and the exercise of its powers under these Regulations.

(2) The Committee may co-opt into the membership of a sub-committee established under subsection (1), such persons whose knowledge and skills are found necessary for the performance of the functions of the sub-committee.

(3) The Committee may, by resolution either generally or in any particular case, delegate to any sub-committee or to any member, officer, employee or agent of the

Committee, the exercise of any of the powers or the performance of any of the functions of the Committee under these Regulations or under any other written law.

Establishment of the Ward Trade Development Loans Fund Committee

15. (1) There is established for each ward a Ward Committee, to be known as the Ward Trade Development Loans Fund Committee.

(2) The Ward Committee shall comprise—

- (a) the Ward Administrator who shall be the Secretary;
- (b) staff of the County Government appointed by the Chief Officer for the time being responsible for matters relating to Trade;
- (c) five persons, being representatives from the Business Community within the ward who shall be appointed by the County Executive Committee Member through a competitive and transparent recruitment process;
- (d) in making the appointments under Regulation 2 (c), considerations has to be made to the two-thirds gender rule and the provisions of Article 27 of the Constitution of Kenya.

(3) The persons under Regulation 15 (1) (c) shall hold office for a term of three years' renewable on performance basis.

(4) A person shall be qualified for appointment under Regulation 15 (2) (c), if he/she—

- (a) is a Kenyan citizen trading within the Ward;
- (b) comes from the business community;
- (c) meets the requirements of Chapter Six of the Constitution of Kenya, 2010.

Terms and conditions of service of the Ward Committee

16. The members of the Ward Committee shall be paid such allowances as shall be determined by Salaries and Remuneration Commission.

Vacation of office of member of the Ward Committee

17. The office of a member of the Ward Committee appointed under Regulation 15 (1) shall become vacant if the member—

- (a) contravenes the provisions of Chapter six of the Constitution of Kenya 2010;
- (b) is adjudged bankrupt;
- (c) is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months;
- (d) is convicted of an offence involving fraud or dishonesty;
- (e) is absent, without reasonable cause, from three consecutive meetings of the Committee;
- (f) resigns in writing addressed to the County Executive Committee Member;
- (g) is removed from office by the County Executive Committee Member for—
 - (i) being unable to perform the functions of his office by reason of mental or physical infirmity; or

- (ii) failing to declare his interest in any matter being considered or to be considered by the Committee; or
- (iii) any other sufficient reason as may be prescribed;
- (h) demonstrates gross misconduct;
- (i) office is abolished; and
- (j) dies.

Functions of the Ward Committee

18. The functions of the Ward Committee are to—

- (a) identify beneficiaries of the Fund through a demand driven approach and assessment criteria;
- (b) carry out capacity building programmes for micro small and medium enterprises;
- (c) publicize the Fund;
- (d) receive applications from the Secretariat, vet and forward names of applicants to be considered by the County Committee;
- (e) monitor traders activities in the Ward;
- (f) follow up on loan beneficiaries to ensure prompt and effective loan recovery;
- (g) maintain records of the Ward Micro Small and Medium Enterprises register;
- (h) monitor and evaluate the performance of loan beneficiaries;
- (i) identify and recommend model groups for benchmarking on best practices of the Fund;
- (j) prepare quarterly, bi-annual and annual reports for submission to the County Committee;
- (k) carry out action oriented research to inform policy implementation; and
- (l) act as an advisory organ to the Secretariat on pertinent issues affecting Micro Small and Medium Enterprises.

Conduct of affairs of the business of the Ward Committee

19. (1) Subject to subsection (2), the business and affairs of the Committee shall be conducted in accordance with the First Schedule.

(2) Except as provided in the Schedule, the Committee may regulate its own procedure.

Establishment of Bungoma County Trade Development Loans Fund Secretariat

20. There is established, within the County Department responsible for matters relating Trade, a Secretariat to be known as the Bungoma County Trade Development Loans Fund Secretariat.

Composition of the Secretariat

21. The Secretariat shall consist of—

- (a) Fund Administrator who shall head the Secretariat;

- (b) Fund Accountant;
- (c) Fund Finance Officer;
- (d) Fund Economist;
- (e) Fund Supply Chain Management Officer;
- (f) Fund Legal Officer; and
- (g) such staff as the Committee in consultation with the County Executive Committee Member may consider necessary for the performance of the functions of the secretariat under these Regulations.

Functions of the Secretariat

22. The Secretariat provides technical, financial and legal expertise to the beneficiaries of the Fund. In the performance of its functions, the Secretariat shall—

- (a) conduct civic education to promote the awareness and understanding of the operations of the Fund amongst stakeholders;
- (b) provide capacity building to loanees to ensure the effective use the funds borrowed under these Regulations;
- (c) develop framework that will ensure an open, transparent and efficient use of funds borrowed under these Regulations;
- (d) conduct research and gap analysis to ensure continuous performance improvement of the Fund;
- (e) assist micro, small and medium enterprises, where the Secretariat considers it necessary, to design, identify, select, prioritise, appraise, evaluate and negotiate investment opportunities that will result in maximum benefits;
- (f) maintain a record of all Fund documentation;
- (g) assist the County Executive Committee Member in formulating guidelines and standard documentation required under these Regulations; and
- (h) carry out such other functions as may be conferred on it by the County Executive Committee Member and these Regulations.

Eligibility criteria for the loan

23. An applicant shall qualify for the loan if the applicant is—

- (a) a Kenyan citizen;
- (b) eighteen (18) years of age and above with a national identity card;
- (c) must have been in business for at least six months prior to making the application;
- (d) should operate from a business premise or location;
- (e) based and operating business within Bungoma County;
- (f) holder of a bank account with any reputable commercial bank; and
- (g) meets all other conditions as set out in these Regulations.

Application for loans

24. (1) Every trader wishing to be considered for the issuance of a trade development loan shall make an application to the Fund Administrator in the prescribed form provided for in the Second Schedule for onward transmission to the Ward Committee.

(2) The Ward Committee shall consider the following during the vetting process—

- (a) the Purpose for which the loan is required;
- (b) ability of the Business to generate enough funds to repay the loan;
- (c) credibility of the trader;
- (d) ability to meet the objectives of the Fund;
- (e) value of the security provided against the loan to cover the loan; and
- (f) availability of adequate guarantors for the loan.

(3) The Ward Committee shall within fourteen days accept or reject any application for a trade development loan with reasons and forward the names of the applicants to be considered by the County Committee.

(4) The County Committee shall within fourteen days consider the names forwarded by the Ward Committee and upon approval publish the names of the successful applicants.

(5) A successful applicant will be issued with a Loan Identification Account Number by the Fund Administrator.

(6) An applicant who—

- (a) in filling a loan application form, knowingly makes any false statement, whether orally or in writing relating to any matter affecting his/her request for a loan; or
- (b) being required to answer any questions, furnish any information or particulars or produce any document or paper, neglects to do so without reasonable cause; or
- (c) is issued a loan based on false information,

shall be guilty of an offence and be liable to a fine of not less than Kenya Shillings Fifty Thousand or to imprisonment for a term not less than six months.

Conditions for issuance of loan

25. (1) The County Committee shall where it approves a loan application, award a minimum loan of Kenya Shillings Five Thousand and a maximum of Kenya Shillings Two Hundred Thousand as specified in the Third Schedule.

(2) In considering the total amount a successful applicant is eligible to receive, the County Committee shall take into account the following—

- (a) the length of time an applicant has been trading;
- (b) the proposed plan for the loan; and
- (c) the viability of the business.

(3) Where the County Committee has resolved to make a loan to an applicant, the Fund Administrator shall notify the applicant in writing, and require him within a specified period not exceeding six months to comply with any conditions and provide any security which the County Committee may have imposed or demanded.

(4) Where an applicant fails to comply with the requirement of the Fund Administrator notified to him under subsection (3) within the prescribed period, the application shall be deemed to have lapsed.

Loan Repayments

26. (1) A successful applicant will be allowed a one month grace period upon the disbursement of funds before the commencement of repayment of the loan.

(2) The loan repayment period shall be a maximum of two years from the end date of the grace period in accordance with the Regulations and depending on the value of the loan as contained in the Fourth Schedule of the Regulations.

(3) Interest rate on all loans shall be 5% per annum on a reducing balance.

Recovery of a loan in case of default

27. (1) Where there is sufficient evidence that a beneficiary of the trade development loan is likely to breach or fail to comply with any condition or term of repayment of the loan, the Fund Administrator may forthwith—

- (a) recover all the loan or any amount remaining unpaid including interest as a civil debt;
- (b) enforce or realize any security offered in relation to the loan;
- (c) engage the guarantor as under Regulation 24 (2) (f);
- (d) engage the services of a debt recovery agent as long as such actions remain within the limits of the funds budgeted administrative expenses for the given particular year; and
- (e) give a notice of not less than 30 days of their intention to recover all amount of loan and interest outstanding.

Registry and Documents

28. To ensure prudent Fund management, the Secretariat shall maintain an efficient and effective loan monitoring and tracking system that shall include the following—

- (a) loans register;
- (b) disbursement schedule;
- (c) loan field report forms;
- (d) copies of the identity card of the loanee;
- (e) passport photos of the applicants;
- (f) permanent physical address of the loanee;
- (g) copies of guarantee forms;
- (h) vetting and appraisal forms; and
- (i) copies of business licenses and permits.

Fund Bank Account

29. The Fund Administrator shall seek authority to open and operate a bank account of the Fund from the County Executive Committee Member responsible for Finance.

Bank Account Signatories

30. (1) The signatories of the bank account opened under Regulation 28 above shall be the Fund Administrator, County Chief Officer responsible for matters of the County Treasury and County Chief Officer responsible for matters of Trade.

(2) All transactions on the fund bank account must be authorized by all the three signatories.

Planning and Budgetary Process

31. (1) The budget making process shall be done in accordance with section 125 of the Public Finance Management Act, 2012.

(2) The Fund shall prepare its budget in accordance with the budget process making for county governments in any financial year which shall consist of the following stages—

- (a) integrated development planning process which shall include both long term and medium term planning;
- (b) making overall estimation of the Fund's revenues and expenditures;
- (c) preparing budget estimates for the Fund and submitting estimates to the County Treasury for onward forwarding to County Assembly;
- (d) approving of the estimates by the County Assembly;
- (e) enacting an appropriation law and any other laws required to implement the County Government's budget;
- (f) implementing the Fund's budget; and
- (g) accounting for, and evaluating, the Fund's budgeted revenues and expenditures.

(3) The County Executive Committee member for Finance shall ensure that there is public participation in the budget process.

Audit

32. The Fund shall be audited and reported upon by the Auditor-General in accordance with the provisions of the Public Audit Act, 2015.

(2) The Fund Administrator shall—

- (a) issue audit engagement memo to management to introduce the objectives of the audit, to detail the planned review process, and to set the expectations for the course of the audit;
- (b) hold audit entrance meeting to discuss the audit scope and subsequent audit steps;
- (c) rate identified risks and review and communicate results;

- (d) hold audit exit meeting to discuss observations and audit recommendations that will be contained in the audit report;
- (e) receive management reviews audit issues and recommendations and prepare a formal response and action plan; and
- (f) liaise with the internal audit department to prepare a final audit report for submission to the County Executive Committee Member for onward transmission to the County Assembly for discussion and action.

Appeals and reviews

33. Any applicant aggrieved by the decision of the Board may appeal to the County Executive Committee Member responsible for matters relating to trade within 14 days from the date of communication of the decision.

Power to issue guidelines

34. The County Executive Committee Member for Finance shall issue guidelines generally for the better carrying out of the provisions of these Regulations, and without prejudice to the foregoing, may issue guidelines in respect of the following—

- (a) the receipt, processing and approval of applications for loans and the granting of loans to applicants;
- (b) the preparation and maintenance of loanees' records;
- (c) the withdrawal, recovery and cancellation of loans;
- (d) the setting-up of procedures for dealing with loan defaulters.

Winding up of the Fund

35. The County Executive Committee Member for Finance may wind up the Fund with the approval of the County Assembly and upon winding up—

- (a) the Fund Administrator shall pay any amount remaining in the Fund into the County Exchequer Account;
- (b) the County Executive Committee Member for Finance shall, with approval of County Assembly pay any deficit in the Fund from the County Exchequer Account; and
- (c) all assets of the Fund will be absorbed into the County in a manner proposed by the County Executive Committee Member with the approval of the County Executive Committee.

Consequential Amendment

36. (1) The Draft Bungoma County Trade Development Fund Regulations, 2014 are hereby reviewed.

(2) Notwithstanding sub regulation (1) any act done/any loans issued under the reviewed Regulations in sub regulation (1) above shall act/be seen as if they were instituted under these Regulations.

FIRST SCHEDULE

Regulations 15 (1), 19 (1)

PROVISIONS AS TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE COMMITTEES

Meetings

1. (1) The Committees shall meet at such place within the County as the respective chairpersons may determine and the meetings shall be convened by the chairpersons.

(2) The Committees shall have quarterly meetings in every financial year and not more than three months shall elapse between one meeting and the next meeting.

(3) Unless three quarters of the members otherwise agree, at least seven days' notice in writing of a meeting shall be given to every member by the Fund Administrator for the County Committee and the Ward Administrator for the Ward Committee.

(4) At the first meeting of the Ward Committee, the Chairperson shall be the Ward Administrator, thereafter, the Committee shall elect a chairperson from among the members appointed in Regulation 15 (2) (c).

(5) The chairpersons may, at their discretion or at the written request made by at least half of the members of the Committees and within seven days of the request, convene an extraordinary meeting at such time and place as he/she may appoint.

(6) Meetings shall be presided over by the chairpersons or in their absence the vice-chairpersons.

(7) The members of a Committee shall elect a vice-chairperson from among themselves—

(a) at the first sitting of the Committee; and

(b) whenever it is necessary to fill the vacancy in the office of the vice-chairperson.

(8) Where the chairperson or vice-chairperson is absent, the members shall appoint from among themselves, a person to chair the meeting of the Committee.

(9) The Committees may invite any person to attend any of its meetings and to participate in its deliberations, but such person shall not have a vote in any decision of the Committee.

Conflict of interest

2. (1) If any person has a personal or fiduciary interest in a project, proposed contract or any matter before the Committee, and is present at a meeting of the Committee at 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 such matter.

(2) A disclosure of interest made under subparagraph (1) shall be recorded in the minutes of the meeting at which it is made.

Quorum

3. (1) Subject to subparagraph (2), the quorum of the meeting shall not be less than half of the appointed members of the Committee.

(2) Where the persons present at a meeting of the Committee do not constitute the quorum necessary to hold a meeting under these Regulations or where by reason of exclusion of a member from a meeting, the number of members present falls below the quorum necessary to hold a meeting, the Committee shall postpone the consideration of the matter in question until there is a quorum.

Voting

4. A question before the Committees shall be decided by simple majority of the members present and voting and the Chairperson shall, in the case of an equality of votes, have a casting vote.

Rules of Procedure and minutes

5. The Committees shall—

- (a) determine rules of procedure for the conduct of their business; and
- (b) keep minutes of their proceedings and decisions.

SECOND SCHEDULE

Regulation 24 (1)

G.P. 220

APPLICATION FORM

REF: BGM/WTLS/LAF/DOC – 005

SERIAL NO: BGM/WTLS/2019/...

NOT FOR SALE

COUNTY GOVERNMENT O BUNGOMA

DEPARTMENT OF TRADE

WARD TRADE LOAN SCHEME

WARD:

SECTION A:

PART I: APPLICANT INFORMATION

Last Name:	Other Names:	
ID/ Passport No.	KRA pin No.	
Mobile No.	Email Address:	
Postal Address:	Residence: Ward.....	Village.....
Occupation:	Duration in the Occupation:	
Other Personal Information		
Attribute	Options	Tick as Appropriate
Gender	Male	
	Female	
Marital Status	Married	
	Single	
Highest level of education	Primary	
	Vocational	
	Secondary/ A' Level	
	College	
Form of Ownership (Business Premises)	Owned	
	Rented	
	Leased	
Form of Ownership (Residence)	Owned	
	Rented	
	Leased	

To be filled by spouse (Skip if not married)

Last Name:	Other Names:	
ID/ Passport No.	KRA pin No.	
Mobile No.	Email Address:	
Postal Address:	Residence: Ward.....	Village.....
Occupation:	Duration in the Occupation:	

PART II: BUSINESS DETAILS

Business Name:	Plot No:
Business Location:	Nature of Business:
Street/ Building:	Postal Address:
Age of Business:	No. of Employees:

Other Business Details

<i>Attribute</i>	<i>Options</i>	<i>Tick as Appropriate</i>
Form of Business	Sole Proprietorship	
	Partnership	
	Company	
Ever received any business or technical training?	Yes	
	No	
What book of accounts do you keep?	Cashbook	
	Ledger	
	Other (Specify)	

Income Sources

<i>Source</i>	<i>Amount (Annual) KSh.</i>
Business	
Employment	
Farming	
Others (Specify)	
Total	

PART III: BUSINESS MONTHLY INCOME AND EXPENDITURES

<i>Nature of Business</i>	<i>Income (KSh.)</i>	<i>Expense (KSh.)</i>	<i>Profit/ Loss (KSh.)</i>
1.			
2.			
3.			
4.			
Total			

Let the income and expenses be monthly averages. Please if the space is not enough attach additional paper

Financial Details

<i>S/NO.</i>	<i>Bank Name</i>	<i>A/C Title</i>	<i>A/C NO.</i>	<i>Branch</i>
1.				
2.				
3.				
4.				

SECTION B

PART I: CREDIT HISTORY

Have you ever borrowed a loan before? (Tick Appropriately) Yes No

If yes, fill in the following details

<i>Institutions Borrowed From</i>	<i>Date Applied</i>	<i>Amount (Kshs)</i>	<i>Loan Balance (Kshs), If any</i>

PART II: LOAN DETAILS

Amount of Loan applied KSh.

Purpose of the Loan (Give full details)

.....

<i>Attribute</i>	<i>Options</i>	<i>Tick as Appropriate</i>
Security	Land	
	Allotment Letter	
	Life Insurance Policy	
	Chattels Mortgage (Immovable)	
	Co- Guarantee	
	Salaries (With consent from employer)	

NB: Please Attach copies of the following documents: ID, KRA Certificate, Business Permit/License and copy of the selected security.

PART III: GUARANTOR DETAILS

- Name..... R/Ship with Applicant.....

ID Number..... KRA PIN NO.....

Mobile Tel No..... Postal Address.....Code.....

Physical Address..... Present Occupation.....

Place of work, if employed.....

Date: Signature:
- Name.....

R/Ship with Applicant

ID Number

KRA PIN NO.

Mobile Tel No

Postal AddressCode.....

Physical Address.....

Present Occupation

Place of work, if employed.....

Date: Signature:

Applicants Commitment

I am applying for a loan of KSh.....to be repaid in (Maximum 24 months).....months in equal monthly installments and to be used for the intended purpose stated herein.

I understand that:-

- i. If am granted a loan, I must continue maintaining acceptable books of accounts and make prompt payments.
- ii. All facts given above will be verified at my place of business and that my application will be rejected outright if I have given any false information.

Date.....Signature of Applicant.....

FOR OFFICIAL USE ONLY

Ward Administrators Recommendations:

Amount recommended
KSh.....

Estimated Monthly Installment
KSh.....

Name.....

Signature.....

Date.....

Committee Recommendations

Amount approved.....

Signatures:

1. Chairperson.....

2. Secretary.....

THIRD SCHEDULE

Regulation 25

BUNGOMA COUNTY TRADE DEVELOPMENT LOAN PRODUCTS

I. *Individual Loan*

The loan is advanced to both start-up and ongoing businesses.

Features

- The individual applicant shall be guaranteed by three guarantors.
- Grace period will be 2 months.
- Repayment period will be 12 months.
- 5% administrative fee deducted upfront.
- Minimum amount of the loan is Kshs. 5,000 and Maximum of Kshs. 100,000

II. *Asset Acquisition Loan*

The loan is advanced to individual and groups in form of equipment.

Features

- The amount of the loan is within the Market Price Index as set by PPOA upon the fulfillment of the set out criteria.
- Grace period will be 2 months.
- Repayment period will be 12 months.
- 5% administrative fee deducted upfront.
- Include provision of equipment and tools, green houses, salon equipment, incubators, sewing machines, washing machines, farm inputs among others.
- It is meant for business expansion.
- Must have business license and tax compliance certificate where applicable.
- Payment will be made to reputable suppliers depending on prevailing market prices.
- Maximum amount is KSh.100,000

III. *LPO/LSO Financing*

Local Purchase Order (LPO)/Local Service Order (LSO) financing to traders accessing tenders from government institutions and reputable firms. The loan is available to individuals, partnerships and companies owned and run by traders.

Features

- Registered enterprises, groups and companies.
- Attracts an interest of 5% of the total value of the contract.
- Must have a tax compliance certificate
- Will finance a maximum of 70% of the LPO amount upto KSh. 100,000/=

- The committee will vet and appraise all LPOs/LSOs to ensure they come from reputable organizations.
- Repayment will be fully recovered upon payment of the contract.

IV. Special loans

The loan targets special business projects across various economic sectors that include, agricultural production-horticulture, livestock trading or fattening and other seasonal/periodical businesses where the clients cannot be able to repay their loans on a monthly basis.

Features

- Finance individuals, registered groups and licensed women owned enterprises
 - 5 % administrative fee deducted upfront
 - Copies of supply contracts (where applicable)
 - Special feature: longer grace periods and periodical (quarterly, half year or bullet) repayment will be applied depending on project maturation.
 - Horticulture project loans will be based on the nature of the business and the business needs of the borrowers.
 - Grace period of 2 months.
 - Must have a registered business permit/ license and PIN certificate.
 - Must have a tax compliance certificate
1. Maximum amount of the loan is KSh. 200,000.

FOURTH SCHEDULE

Regulation 26 (2)

LOAN REPAYMENT SCHEDULE

LOAN RANGE (KSh.)	DURATION (Months)
5,000.00-25,000	6
25,001.00 – 50,000	9
50,001.00 – 100,000	12
100,001.00 – 200,000	24

Made on the 3rd April, 2023.

CHRISPINUS BARASA,
County Executive Committee Member for Finance.