

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

Objects and purposes of the Fund.

4. The objects and purposes for which the Fund is established are to

(a) provide loans to existing micro-finance institutions, registered non-governmental organizations involved in micro financing, and savings and credit co-operative organizations for on-lending to youth enterprises;

(b) attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks markets or business incubators that will be beneficial to youth enterprises;

(c) support youth oriented micro, small and medium enterprises to develop linkages with large enterprises;

(d) facilitate marketing of products and services of youth enterprises in both domestic and international markets; and

(e) facilitate employment of youth in the international labour market;

Establishment and composition of the Board

5. (1) There is established a state corporation to be known as the Youth Enterprise Development Fund Board which shall be a body corporate in accordance with section 3 of the Act.

(2) The Board shall consist of -

(a) a non-executive chairman appointed by the President;

- (b) a chief executive of the Board who shall also be the secretary to the Board;
- (c) the Permanent Secretary to of the Ministry for the time being responsible for youth affairs;
- (d) the Permanent Secretary in the Ministry for the time being responsible for finance;
- (e) four persons, not being public officers, appointed by the Minister in consultation with the Minister for the time being responsible for matters relating to finance, by virtue of their knowledge or experience in matters relating financial management, venture capital fund management or youth development;
- (f) one person nominated by the National Youth Council and appointed by the Minister.

(3) The Board shall engage the chief executive of the Board and such other staff as the Board may consider necessary on such terms and conditions of service as the Board may, with the approval of the Minister, determine.

Functions of the Board.

6. The Board shall -
- (a) manage and administer the Fund in such a manner as to realize the objects and purposes for which the Fund is established;
 - (b) enter into association with other persons, bodies or organizations within or outside Kenya as the Board may consider appropriate in furtherance of the objects and purposes for which the Board the Fund is established;
 - (c) carry out any other activity as, in the Board's opinion, will promote and facilitate the objects and purposes for which the Fund is established.

Headquarters.

7. The Headquarters of the Board shall be in Nairobi.

Expenses of administering the Fund

8. There shall be paid out of the Fund, at such times and in such manner as the Board in consultation with the Minister

may determine, such sum as the Board of Trustees may estimate to be their expenses in carrying this Order. into effect.

Financial year.

9. The financial year of the Board shall be the period of twelve months ending on the thirtieth June in each year.

Annual estimates.

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

(2) The annual estimates shall make provision for all estimated expenditure of the Board for the financial year concerned, and in particular shall provide for -

- (a) the payment of the salaries, allowances and other charges in respect of the members and the staff of the Board;
- (b) the payment of pensions, gratuities and other charges in respect of retirement benefits to staff of the Board;
- (c) the proper maintenance of the buildings and grounds of the Board;
- (d) the proper maintenance, repair and replacement of the equipment and other movable property of the Board; and
- (e) the creation of such reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of buildings or equipment or in respect of such other matters as the Board may consider necessary.

(3) The annual estimates shall be submitted to the Board for approval before the commencement of the financial year to which they relate:

Provided that once approved, the sum provided in the estimates shall not be increased without the prior consent of the Board.

(4) No expenditure shall be incurred for the purposes of the Board except in accordance with the annual estimates approved under sub paragraph (3) or in pursuance of an authorization of the Board.

Accounts and audit.

11. (1) The Board shall cause to be kept all proper books and records of accounts of the income, expenditure, assets and liabilities of the Board.

(2) Within a period of three months after the end of each financial year, the Board shall submit to the Auditor-General or to an auditor appointed under sub paragraph (3), the accounts of the Board together with -

- (a) a statement of income and expenditure during that year; and
- (b) a statement of the assets and liabilities of the Board on the last day of the financial year.

(3) The accounts of the Board shall be audited by the Auditor-General or by an auditor appointed by the Board with the written approval of the Auditor-General.

(4) The appointment of an auditor shall not be terminated by the Board without the prior written consent of the Auditor-General.

(5) The Auditor-General may give general or special directions to an auditor appointed under sub paragraph (3) and the auditor shall comply with those directions.

(6) An Auditor appointed under sub paragraph (3) shall report directly to the Auditor-General on any matter relating to the directions given under sub paragraph (5).

(7) Within a period of six months after the end of the financial year, the Auditor-General shall report on the examination and audit of the accounts to the Board and to the Minister, and in the case of an auditor appointed under sub paragraph (3), the auditor shall transmit a copy of the report to the Auditor-General.

(8) Nothing in this Act shall be construed to prohibit the Auditor-General from carrying out an inspection of the Board's accounts or records whenever it appears to him desirable and the Auditor-General shall carry out such an inspection at least once every six months.

(9) The Minister shall lay the annual report before the National Assembly as soon as reasonably practicable after the report is submitted to him under this paragraph.

Investment of funds.

12.(1) The Board may invest any of the funds of the Board which are not immediately required for its purposes in such securities as the Treasury may, from time to time, approve.

(2) The Board may place on deposit with such bank or banks as it may determine any moneys not immediately required for the purposes of the Board.

Annual report.

13.(1) The Board shall, within three months after the end of each financial year, prepare and submit to the Minister a report of the operations of the Board for the immediately preceding year.

(2) The Minister shall lay the annual report before the National Assembly within three months of the day the Assembly next sits after the report is presented to him.

Savings and transitional

LN 167 of 2006

14. On the coming into operation of this Order-

(a) the Youth Enterprise Development Fund and the Advisory Board established under the Government Financial Management (Youth Enterprise Development Fund) Regulations 2006 (hereinafter referred to as the "former Fund" and the "former Board" respectively) shall become the Fund and Board respectively;

(b) all assets and liabilities of the former Fund and the former Board shall be transferred to and vest in the Fund and the Board as the case may be without further assurance than this Order and the Board shall have all powers necessary to take possession of, recover and deal with such assets and discharge such liabilities

- (c) every agreement, whether in writing or not, and every deed, bond or other instrument to which under this Order the former Board or any other person was a party or which affected the former Board or any other person, and whether or not of such a nature that the rights, liabilities and obligations thereunder could be assigned, shall have effect as if the Board or the corresponding person under this Order were a party thereto or affected thereby instead of the former Board or that other person and as if for every reference (however worded and whether express or implied) therein to the former Board or to that person there were substituted in respect of anything to be done on or after the date of coming into operation of this Order a reference to the Board or the corresponding person under this Order.
- (d) any proceedings pending immediately before the coming into operation of this Order to which any person was a party shall be continued as if the Board or the corresponding person under this Order were a party thereto in lieu of that person;
- (e) the members of the former Board appointed under 5 (1) (a) (f) and (g) of the Government Financial Management (Youth Enterprise Development Fund) Regulations 2006 shall become the members of the Board in the corresponding capacities for the unexpired period of their term of appointment.

Repeal of LN
167 of 2006

15. The Government Financial Management (Youth Enterprise Development Fund) Regulations, 2006 are repealed

Dated, 2007.

**MWAI KIBAKI,
PRESIDENT.**