

PUBLIC FINANCE MANAGEMENT ACT, 2012
(KITUI COUNTY CLIMATE CHANGE FUND) REGULATIONS, 2018.

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THE PUBLIC FINANCE MANAGEMENT ACT, 2012

(No. 18 of 2012)

IN EXERCISE of the powers conferred by Section 116 of the Public Finance Management Act number 18 of 2012, the Kitui County Executive Committee Member for the time being responsible for County Treasury makes the following Regulations: -

The Public Finance Management Act (Kitui County Climate Change Fund) Regulations, 2018

Part I-Preliminary	
Citation	1. These Regulations may be cited as the Public Finance Management Act (Kitui County Climate Change Fund) Regulations, 2018.
Interpretation	2. In these Regulations, unless the context otherwise requires “Authority” means the power or right to give orders, make decisions, and enforce obedience; “Climate Change” has the same meaning assigned to it in section 2 of the Climate Change Act, 2016; “Climate Change resilience” has the same meaning assigned to it in section 2 of the Climate Change Act, 2016; “Financial year” means the period of twelve months ending on the 30 th June each year; “Fund” means the Kitui County Climate Change Fund established under Regulation 5; “Fund Administrator” means a person appointed to manage day to day affairs of County Climate Change Fund under Regulation 9; “Steering Committee” means the County Climate Change Fund Steering Committee established under Regulation 14; “Ward” has the meaning assigned under section 2 of the County Governments Act, 2012; “Team” means the Ward Climate Change Planning Team established in Regulation 24;

	<p>“Technical Committee” means the Kitui County Climate Change Technical Committee established under Regulation 19; and</p> <p>“Ward” has the meaning assigned under section 2 of the County Governments Act, 2012.</p>
Object	<p>3. The object of these Regulations is to establish the Kitui County Climate Change Fund, its management, operation procedures and its winding up procedure, and promote climate change programs.</p>
Part II- Establishment Of The Kitui County Climate Change Fund	
Establishment of the fund	<p>4. There is established a fund to be known as the Kitui County Climate Change Fund.</p>
Purpose of the Fund	<p>5. The purpose of the Fund shall be :</p> <ul style="list-style-type: none"> (a) to finance climate change resilience and its assessment; (b) to finance implementation of approved climate change projects; (c) to finance monitoring and evaluation exercises including documentation, photography and video recording of climate change projects; (d) for administrative costs which shall not exceed three percent of the total Fund per financial year; (e) capacity building activities at county level, national level and international level as approved by the Steering Committee; and (f) to provide funding for integration and mainstreaming of climate change programs, actions, interventions and duties as identified in the Kitui County Integrated Development Plan, the Climate Change Act, 2016, the National Climate Change Action Plan and for connected purposes.
Lifespan of the fund	<p>6. The fund shall exist for a period of ten years.</p>
Extension of lifespan of the fund	<p>7. 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.</p>
Winding up	<p>8. (1) The County Executive Committee Member for the time being responsible for County Treasury shall seek the approval of the County Assembly before winding up.</p>

	(2) Winding up shall be done in accordance to the provisions of the Public Finance Management Act, 2012.
Fund Administrator	9. There shall be a Fund Administrator who shall be designated in writing by the County Executive Committee Member for the time being responsible for County Treasury.
Functions of the Fund Administrator	<p>10. The Fund Administrator shall:</p> <ul style="list-style-type: none"> (a) supervise and administration of the Fund; (b) ensure that the accruals to the Fund are retained in the Fund unless the County Executive Committee Member for the time being responsible for County Treasury directs otherwise; (c) ensure that money held in the Fund is spent only for the purposes for which the Fund is established; (d) ensure disbursement of monies out of the Fund is done in accordance to these Regulations; (e) cause to be kept proper books of accounts and other books and records in relation to 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, submit financial statements relating to the accounts to the Auditor-General; (j) not later than fifteen days after the end of each quarter, submit quarterly reports to the County Treasury and the Controller of Budget; (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; (l) ensure compliance with decisions of the Steering Committee and submit quarterly reports on such compliance;

	<ul style="list-style-type: none"> (m) ensure timely and efficient disbursement of funds to the Teams for project implementation; (n) exercise oversight over capacity building for the Technical Committee and the Teams to ensure greater efficiency in their roles with regard to community projects identification and implementation processes; and (o) perform such other functions as assigned from time to time by the Steering Committee.
Capital of the fund	11. The initial capital for the fund shall be not more than two percent of the County annual budget appropriated by the County Assembly.
Sources of the Fund	<p>12. Sources of the fund shall include:</p> <ul style="list-style-type: none"> (a) monies appropriated by the Kitui County Assembly; (b) grants and donations; (c) endowments and bequests; (d) monies from any other source as approved by the County Executive Committee Member for the time being responsible for County Treasury; and (e) all monies received, savings and accruals to this Fund and any balances not spent at the end of the financial year which shall be held in the Fund to be used in subsequent years for purposes for which the Fund is established unless County Executive Committee Member for the time being responsible for County Treasury directs otherwise.
Expenditure of the Fund	13. There shall be paid out of the Fund expenses incurred in pursuance of the objects and purposes of the Fund.

Part III- The Kitui County Climate Change Fund Steering Committee	
Establishment of the Steering Committee	14. There is established the Kitui County Climate Change Fund Steering Committee.
Composition of the Steering Committee	<p>15.</p> <p>(1) The Steering Committee shall comprise of:</p> <ul style="list-style-type: none"> (a) County Executive Committee Member for the time being responsible for Environment and Natural Resources or a representative, who shall be the Chair; (b) County Executive Committee Member for the time being responsible for County Treasury or a representative, who shall be the Secretary; (c) County Executive Committee Member for the time being responsible for Agriculture, Water and Livestock Development or a representative; (d) The Fund Administrator; (e) The person in charge of legal matters in the County; (f) Two representatives of Public Benefits Organisations involved in climate change activities; (g) Kitui County Drought Coordinator of the National Drought Management Authority or a representative; (h) One representative of youth; (i) One representative of women; and (j) One representative of persons living with disability. <p>(2) The Steering Committee may co-opt such members as may be required.</p> <p>(3) The members under regulation 15 (1) (f),(h), (i), and (j) shall be appointed by the Governor.</p>
Functions of the Steering Committee	<p>16. The functions of the Steering Committee shall be to:</p> <ul style="list-style-type: none"> (a) provide policy co-ordination for climate change planning and implementation in the County; (b) provide guidance on cross-ward and cross-county climate change projects and programs; (c) provide a forum of the key stakeholders on climate change in the County which shall comprise of representatives of the two levels of Government, financing partners and representatives of other stakeholders;

	<ul style="list-style-type: none"> (d) mobilize funds and resources for projects and interventions approved by the Technical Committee; (e) promote climate change interventions advocacy among stakeholders in both levels of government; (f) review and make recommendations for adjustments to intermediate objectives and outputs of the climate change fund programmes on advice from the Technical Committee; (g) approve all payments of climate change funded projects and programs; (h) receive and approve project proposals for funding; (i) analysing the progress report from the Technical Committee; (j) approve capacity building activities for the Steering Committee, Technical Committee and the Teams; (k) appoint ad hoc sub committees to support its operations; and (l) perform any other duties that may arise from time to time.
Meetings of the Steering Committee	<p>17. (1) The Steering Committee shall meet at least three times in a year.</p> <p>(2) The quorum shall be not less than half of the members.</p>
Allowances of the Steering Committee	<p>18. The Steering Committee shall be entitled to allowances as per the Salaries and Remuneration Commission advisory.</p>

Part IV- The Kitui County Climate Change Technical Committee	
Establishment of the Technical Committee	19. There is established the Kitui County Climate Change Technical Committee.
Composition of the Technical Committee	<p>20.</p> <p>(1) The Technical Committee shall comprise of:</p> <ul style="list-style-type: none"> (a) Chief Officer for the time being responsible for Environment and Natural Resources, who shall be the chair; (b) Chief Officer for the time being responsible for County Treasury; (c) Chief Officer for the time being responsible for Agriculture, Water and Livestock Development; (d) One representative of the youth; (e) One representative of women; (f) One representative of persons living with disability; (g) Two representatives from development partners actively involved in climate change work in the County; (h) One representative of the National Drought Management Authority; (i) One representative of the National Environmental Management Authority; (j) One representative of the Kenya Meteorological Services; (k) One representative of the Kenya Forest Research Institute; (l) The Fund Administrator who shall be the Secretary to the committee; and (m) One representative of the Teams. <p>(2) The members of the Technical Committee shall be appointed by the County Executive Committee Member for the time being responsible for Environment and Natural Resources.</p>
Functions of the Technical Committee	<p>21. The functions of the committee shall be to:</p> <ul style="list-style-type: none"> (a) Review, prioritize, and sequence projects and activities submitted by the Teams based on the approval criteria; (b) Provide technical support to the Teams; (c) Co-ordinate capacity building activities at ward and county levels; (d) Review and evaluate project proposals received from the Teams;

	<ul style="list-style-type: none"> (e) Submit the evaluated Teams’ proposals to the Steering Committee; (f) Oversee implementation of climate programs and projects; (g) Develop quarterly progress reports to the Steering Committee; and (h) Any other role assigned to it by the Steering Committee.
Meetings of the Technical Committee	<p>22.</p> <ul style="list-style-type: none"> (1) The Technical Committee meetings shall be held once in two months. (2) The quorum shall be not less than half of the members.
Allowances of the Technical Committee	<p>23. The Technical Committee shall be entitled to allowances as per the Salaries and Remuneration Commission advisory.</p>
PART V- THE WARD CLIMATE CHANGE PLANNING TEAM	
Establishment of the Team	<p>24. There is established the Ward Climate Change Planning Team.</p>
Composition of the Team	<p>25.</p> <ul style="list-style-type: none"> (1) The Team shall be composed of the following: <ul style="list-style-type: none"> (a) Chairperson who shall be elected from among the members; (b) The Ward Administrator, who shall be the Secretary; (c) Two youth representatives of opposite gender; (d) One representative of women; (e) One representative of each of the three key economic activities in the ward; (f) A representative of people living with disability; (g) A representative of religious groups; and (h) Two representatives of Community Based Organizations actively operating in the ward; (2) The Team shall be appointed by the Chief Officer for the time being responsible for Environment and Natural Resources after the nomination process.
Nomination of the Team members	<p>26.</p> <ul style="list-style-type: none"> (1) The Chief Officer for the time being responsible for Environment and Natural Resources shall direct the Ward Administrators to convene ward level public meetings to nominate members of the Team.

	<p>(2) The Ward Administrator shall within fourteen days of receipt of the directive convene a ward level meeting of community members.</p> <p>(3) The community members shall then nominate members under regulation 25(c)-(g) for appointment.</p> <p>(4) The Ward administrator shall then forward the list of nominees to the Chief Officer for the time being responsible for Environment and Natural Resources within seven days after the nomination.</p> <p>(5) The Chief Officer for the time being responsible for Environment and Natural Resources shall appoint the members within fourteen days of receiving nominees' lists from all wards.</p>
<p>Qualifications of nominated members of the Team</p>	<p>27. A person is qualified for appointment as a member of the team if such person—</p> <ul style="list-style-type: none"> (a) meets the requirements of Chapter Six of the Constitution; (b) has basic knowledge of climate matters; (c) has a valid Kenya Certificate of Secondary Education; (d) is a committed person willing to serve the community; and (e) is a resident of the ward;
<p>Functions of the Team</p>	<p>28. The functions of Team shall be to:</p> <ul style="list-style-type: none"> (a) mobilize and hold consultative meetings with communities together with relevant government planners, agencies and other relevant stakeholders (b) capacity build on the climate change within the community; (c) conduct participatory livelihood and local economy resilience assessments; (d) utilize the assessment reports to guide the community in project prioritization based on projects that will promote climate change resilience, growth and adaptive livelihoods; (e) prepare program and project proposals through aggregation and coordination of climate change resilience building needs after identification and prioritization through community participation;

	<ul style="list-style-type: none"> (f) prioritize proposals and submit them to the Technical Committee for evaluation and review; (g) monitor the implementation of projects under its supervision and ensure the service providers comply with the terms of the contract in accordance with the approved implementation monitoring plan and disbursement program for each project; (h) monitor implementation of climate change projects and programs; (i) recommend for payment of completed project; (j) carry out any other duty as may be required by the Technical Committee.
Meetings of the Team	<p>29.</p> <ul style="list-style-type: none"> (1) The Team meetings shall be held once every month. (2) Meetings shall be held in the respective wards. (3) The quorum for meetings of the committee shall be at least half of the members.
Term of the Team	<p>30. Members of the team in regulation 27 (c) to (h) shall hold position for a period of three years.</p>
Reimbursement of the Team	<p>31. The team shall be entitled to transport reimbursements as follows:</p> <ul style="list-style-type: none"> (a) Chairperson shall be entitled to Kenya Shillings One Thousand Two Hundred and Fifty only. (b) Other members shall be entitled to Kenya Shillings One Thousand only per sitting.
Part VI- Operation Of The Fund	
Fund Bank Account	<p>32.</p> <ul style="list-style-type: none"> (1) Authority to open and operate a bank account of the fund shall be sought from the County Treasury. (2) Each Team shall through the Steering Committee seek authority from the County Treasury to open and maintain a bank account through which it will receive funds.
Bank account signatories	<p>33.</p>

	<p>(1) The signatories of the bank account opened under Regulation 32 (1) above shall be the Fund Administrator and two other persons authorised by the Steering Committee.</p> <p>(2) The signatories of the bank account opened under Regulation 32 (2) above shall be the Ward Administrator and two other persons authorised by the Technical Committee.</p>
Withdrawals from the Fund	34. All expenditures from the fund shall be recommended by the Fund Administrator and authorised by the Steering Committee as reflected in the Fund’s approved annual estimates of expenditure for that financial year.
Planning and budgetary Process	<p>35.</p> <p>(1) The Fund Administrator shall, before the beginning of each financial year-:</p> <p>(a) prepare and circulate a list of funds available for climate adaptation and mitigation activities in the county to the Steering Committee, the Technical Committee and the Teams in order to guide in projects planning.</p> <p>(b) give details, if any, of conditional funds to target recipients.</p> <p>(c) submit the consolidated projects on climate change to the County Executive Committee Member for the time being responsible for County Treasury.</p> <p>(2) The Teams shall mobilize communities to participate in identifying, prioritizing, and costing the suggested projects before submitting them to the Technical Committee in form A.</p> <p>(3) Hiring of professionals and other service providers for approved and funded projects shall be done in accordance to the Public Procurement and Assets Disposal Act, 2015 and the Public Finance Management Act 2012.</p>
Fund allocation	<p>36. The funding shall be allocated in the following manner:</p> <p>(a) Not more than three percent shall be used for administrative costs.</p> <p>(b) Seventy-seven percent shall be allocated to Teams for climate change projects.</p>

	(c) Twenty percent shall be allocated for climate change projects cutting across the county.
Fund Allocation Criteria	<p>37. The allocation of funds to various projects in the Ward and County levels shall be guided by following criteria:</p> <ul style="list-style-type: none"> (a) Intervention must benefit many people including the most vulnerable groups with clear evidence of gender considerations; (b) Intervention must support the economy, livelihoods or important services on which many people depend, and has been identified, prioritized and included in ward, sub-county, county and cross-county plan or strategy for public good projects and promotes climate resilient growth and adaptive livelihoods; (c) Proof must be provided to show that the target intervention is relevant to building resilience to climate change and has been identified and prioritized through community participation, based on identifiable vulnerabilities, as captured in risk assessment and vulnerability mapping reports available for the county; (d) Must contain detailed situation analysis with clear problem statement to facilitate clarity on level and urgency of vulnerability and risks arising from delayed intervention; (e) Demonstrates evidence of expected improvement on the socio-economic status and resilience to the most vulnerable groups and incorporates gender considerations; (f) Must encourage harmony and build relations and understanding among the beneficiaries; (g) Contributes to adaptation or mitigation and improving community resilience and other community benefits including poverty reduction; (h) Supports livelihoods through income generation, and improved livelihoods; (i) Avoids duplication of projects; (j) Where similar projects have been undertaken, it should provide complementarity and value addition to existing projects;

	<ul style="list-style-type: none"> (k) Must provide platforms for effective stakeholder engagement and demonstrate sensitivity to diverse cultures and religions; (l) Must provide opportunity for capacity building through training, awareness creation and sensitization, and capture, document and disseminate information and lessons learnt on climate change and its impacts; (m) Provide proof that the project is sustainable beyond implementation with adequate arrangements to protect assets created after project completion and contributes to long term beneficial impacts to the community; (n) Provide proof that the project has innovativeness and demonstrates use of indigenous knowledge, innovations and technology; (o) Must be cost-effective and give value for money.
Fund reallocation	<p>38.</p> <ul style="list-style-type: none"> (1) The Fund Administrator may in consultation with the Technical Committee reallocate funds which cannot be absorbed or utilized in a particular project. (2) Projects receiving reallocated funds shall be within the same ward as the project from which funds are reallocated. (3) A project may receive reallocated funds from a project situated in a different ward only if a disaster is declared. (4) A report of all budget reallocations, in a ward, must be filed giving full details of the project, its location, funds reallocated, amount originally allocated, amount unutilized and proposed reallocations with reasons, as detailed in Form B.
Disbursement of funds	<p>39. Disbursement of funds to community prioritized projects shall be done on quarterly basis or on need basis.</p>
Adjustment of instalments	<p>40. The Steering Committee may at its discretion adjust the quantum of instalments to various community prioritized projects while taking into account the inflow of funds.</p>
Payment of suppliers and service providers	<p>41.</p> <ul style="list-style-type: none"> (1) Payments to suppliers and service providers shall be supported by approved documentation from each of

	<p>the suppliers based on the contract terms, a project progress report and an approval of payment signed by at least two of the approved signatories.</p> <ul style="list-style-type: none">(2) Payment shall be in accordance with the implementation monitoring plan and investment schedule.(3) The Team shall advise the Technical Committee and the Steering Committee when payments are made by submitting quarterly implementation reports.
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Financial Governance	<p>42. The Teams and the Technical Committee shall submit to the Steering Committee regular reports on programs and projects under their supervision as detailed hereunder:</p> <ul style="list-style-type: none"> (a) The Teams shall prepare and submit to the Fund Administrator monthly financial reports with details of physical progress and financial expenditure on programs and projects under their supervision. (b) The reports shall provide comparison between the project implementation schedule, current implementation status as per Form C.
Maintenance of Records	<p>43.</p> <ul style="list-style-type: none"> (1) The Teams and the Technical Committee shall maintain full and accurate records of the Fund expenditures including: <ul style="list-style-type: none"> (a) All receipts in respect of every project, program and their total; (b) All expenditures supported by approved documentation; and (c) Relevant bank statements of the project accounts. (2) The Teams, Technical Committee and Steering Committee shall ensure all Fund documents together with supporting documents are protected and preserved for future audit and reference.
Financial Reporting	<p>44. The Fund Administrator shall prepare and submit quarterly reports to the Steering Committee for approval and onward submission to the County Executive Committee Member for the time being responsible for County Treasury detailing the following:</p> <ul style="list-style-type: none"> (a) Programs and projects funded by or in partnership with Fund; (b) Disbursements by each of the supporting financing partners as well as total amounts received; (c) Funding status showing monies disbursed for each of the projects by the ward and sub county; and (d) A summary of climate change activities in the county.
Audit	<p>45. The accounts of the Fund shall be audited in accordance with the provisions of the Public Finance Management Act, 2012 and the Public Audit Act, 2015.</p>

Part VII- Miscellaneous Provisions

Guidelines	46. The County Executive Committee Member for the time being responsible for Environment and Natural Resources shall in consultation with the Steering Committee develop guidelines for the proper management of climate change activities.
Amendment to these regulations	47. The Steering Committee or any other interested party may from time to time recommend to the County Executive Committee Member for the time being responsible for County Treasury any amendments to these regulations for consideration.

SCHEDULE

Form A

R. 35(2)

KITUI COUNTY CLIMATE CHANGE FUND

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KITUI.

COMMUNITY PRIORITIZATION CAPTURE FORM.

Financial Year (Cost in Kenya Shillings unless otherwise advised).

Ward Name.....

	Project title and location	
1	Project Priority Rank	
1.1	Short Description and target beneficiaries	
1.2	Justification	
1.3	Description of proposed measures	
2	Project Costs	
2.1	Pre-construction costs	
2.2	Construction Cost	
2.3	Additional Infrastructure	
2.4	Design and supervision	
2.5	Contingencies	
2.6	Total project cost	
2.7	Estimated annual operating costs	

2.8	Annual Maintenance Costs	
3	Total Estimated costs (for the year)	
4	Sources of Finance	
4.1	Development Costs	
4.2	Operations and maintenance costs	
5	Staffing and Maintenance Arrangements	
6	Relationship with other Projects	
7	Project timeframe: (period of implementation)	

KITUI COUNTY CLIMATE CHANGE FUND

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PROJECT IMPLEMENTATION STATUS FORM.

Summary sheet for COUNTY CLIMATE CHANGE FUND Project implementation (On-going projects)

Financial year.....

Ward Name.....

	Type of Project	Location	Estimated total Cost	Amount allocated	Expenditure to date	Variance				
						Q1	Q2	Q3	Q4	Total
1										
2										
3										

Reasons for Variances.....
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Made on the 16th of May, 2018.

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John Makau

County Executive Committee Member for Environment and Natural Resources

County Government of Kitui

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Mary Nguli

County Executive Committee Member for County Treasury

County Government of Kitui