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UWEZO FUND OVERSIGHT BOARD SECRETARIAT

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Date: 5th June 2014

UWZ/2014/CIR/VOL.1 (4)

All Fund Account Managers

Thro'

The Ag. Chief Executive Officer
Constituencies Development Fund Board

**RE: SUPPLEMENTARY GUIDELINES ON UWEZO FUND
OPERATIONALIZATION**

Further to earlier circulars issued Ref. No. MDP/1/1/133, dated 24th February, 2014, MDP/1/133 dated 2nd April 2014 and UWZ/2014/CIR/VOL.1(2) & (3) dated 20th May 2014, we wish to give further directions as follows:-

1. Roles of Sub County Youth Development/Gender Officers (SCYDO)

- The Sub County Youth Development/Gender officers shall be secretaries for both the Constituency Uwezo Fund Management Committees (CUFMCs) and the Constituency Uwezo Fund Secretariat.
- The Sub County Youth Development/Gender officers shall coordinate training of the vetted groups at the constituency and shall closely liaise with the service providers (trainers) from the Ministry to provide backstopping.
- The Sub County Youth Development/Gender officers shall be the AIE holder and therefore required to undertake the following as AIE holder:-
 - (i) Receive Uwezo Funds from the board on behalf of CUFMCs

- (ii) Sign payment vouchers or imprest warrant first before the Sub-County Accountant and Fund Account Managers can process and issue cheques
- (iii) Monitor usage of funds disbursed
- (iv) Oversee groups/institutions and maintain records of disbursements of funds and progress
 - Assist and guide groups/institutions in developing business plans
 - In liaison with FAM and Sub-County Accountant ensures timely repayments of loans and report on defaulting groups/institutions

2. Roles of Fund Account Manager(FAM)

- The Fund Account Manager is an ex-officio to the Constituency Uwezo Fund Management Committees;
- The FAM shall be the head of Constituency Secretariat;
- Shall be the second mandatory signatory to all Constituency Uwezo Fund Management Committees bank accounts;
- Shall train Constituency Uwezo Fund Management Committees;
- In liaison with the secretary of CUFMCs shall coordinate the activities of the Fund at the constituency level;
- Undertake coding of the vetted groups;
- Link the CUFMCs with Uwezo Oversight Board through the CDF Board;
- Undertake bank reconciliations for the fund and report to the Board

3. Roles of Sub County Accountant(SCA)

- The Sub County Accountant is a mandatory signatory to all CUFMCs accounts;
- SCA is responsible for maintaining and safe custody of CUFMCs books of accounts (Vote book, Cash book) and other records as may be necessary;
- SCA processes all payments at the Constituency level;

The CDF Regional Coordinators and County Directors of Youth Development will oversee the implementation of Capacity Building Programme to the CUFMCs and successful groups/Institutions respectively.

4. Constituencies with more than one sub-county

Constituency Uwezo Fund Management Committee and Constituency Secretariat shall be hosted by the sub-county which runs CDF activities

5. Roles of Constituency Secretariat

- CDF Fund Account Manager, Sub-County Youth Development officer shall provide necessary secretariat services (including issuing and returning of application forms) to the committees.
- The Constituency secretariat shall be primarily responsible to ensure compliance of the set guidelines on managing the fund, facilitates disbursement of the funds and recovery of the same.
- The Constituency secretariat shall ensure that the list of beneficiaries are not defaulters of other Government funds by liaising with the relevant institutions such as Poverty Eradication Commission (PEC), Women Enterprise Fund (WEF), Youth Enterprise Development Fund (YEDF), *Njaa Marafuku* among others.
- The Constituency secretariat and CUFMCs will carry out a routine Monitoring and Evaluation of groups and Institutions to ensure compliance in the repayment and assess their progress.
- Submit Monitoring and Evaluation Reports to Uwezo Oversight Board on quarterly basis.

6. Distinct Roles of Uwezo Oversight Board and Constituency Uwezo Fund Management Committees (CUFMCs)

- CUFMCs shall recommend disbursement of funds to qualified groups and Institutions to Uwezo Oversight Board, On the other hand,
- Uwezo Oversight Board shall consider, verify and approve funding to the Constituencies as well as approve disbursement to the CUFMCs accounts.

7. Eligibility Criteria

- CUFMCs are required to check and ensure that all supportive documentations are received as requested in the application forms.

- CUFMCs should note that, **training certificate is not a requirement for vetting of applicants** but a prerequisite for disbursement of funds to qualified vetted groups.
- CUFMCs should also note that **PIN numbers** is not **a requirement for vetting of applicants** as indicated earlier in the application forms.

Supportive documentation to meet the eligibility criteria includes:- details of the group's table banking records, such as copies of the passbook, lending records (as kept by the group's designated official) and the group's internal guidelines/constitution.

As specified in the regulation article 2 on interpretations, "Table Banking" means group based financial transactions usually governed by rules set out by the group and where such transactions, including deposits, contributions, payments and loans issuance are done during the meeting of the group with all members present.

Further to that, article 22 (1) (a) (i) states that, for a group to qualify for fund loan application if, is registered with the department of social services, Cooperatives or Registrar of Societies.

In addition to that sub-article (iv) provides that the group **shall** operate a table Banking structure or any other group fund structure where members make monthly contributions according to the groups' internal guidelines (*evidence of monthly contributions shall be a requirement*). Therefore, **or any other group fund structure** must have evidence of monthly contributions and be within the guidelines (By-Laws/Constitutions) of groups registered with department of social services, Cooperatives or Registrar of Societies.

8. Eligible Amounts

- In determining the total amount a group is eligible to receive, the following criteria shall be applied:-
 - (i) The length of time the group has been in existence
 - (ii) The total amount contributed by the group
 - (iii) The current status of contribution and
 - (iv) The proposed business plan for the loan applied.

Thus in determining the eligible amount, the following shall apply:-

- The eligible amount shall be three times the group savings **BUT** it shall not be:-
 - (i) Below Kshs.50,000 (Minimum),
 - (ii) More than the amount applied for in the application form and
 - (iii) More than Kshs.500,000 (Maximum)

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Ag. CHIEF EXECUTIVE OFFICER

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