

## LEGAL NOTICE NO. 188

**THE GOVERNMENT FINANCIAL MANAGEMENT ACT**  
(No. 5 of 2004)

IN EXERCISE of the powers conferred by sections 26 and 35 of the Government Financial Management Act, 2004, the Minister for Finance makes the following Regulations:—

**THE GOVERNMENT FINANCIAL MANAGEMENT (KENYA ENERGY-SECTOR ENVIRONMENT AND SOCIAL RESPONSIBILITY PROGRAMME FUND) REGULATIONS, 2007**

Citation.

1. These Regulations may be cited as the Government Financial Management (Kenya Energy-Sector Environment and Social Responsibility Programme Fund) Regulations, 2007.

Interpretation.

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

“financial year” means the period of twelve months ending on the 30<sup>th</sup> June in each year;

“Fund” means the Kenya Energy-Sector Environment and Social Responsibility Programme Fund established under regulation 3; and

“officer administering the Fund” means the Permanent Secretary of the Ministry for the time being responsible for matters relating to energy.

Establishment of the Fund.

3. (1) There is hereby established a Fund to be known as the Kenya Energy-Sector Environment and Social Responsibility Programme Fund.

(2) The Fund shall consist of—

(a) monies appropriated by Parliament;

(b) contributions from—

(i) Kenya Petroleum Refineries Limited;

(ii) Kenya Power and Lighting Company Limited;

(iii) Kenya Electricity Generating Company Limited (Kengen);

(iv) Kenya Pipeline Company Limited;

(v) National Oil Corporation of Kenya Limited;

(vi) Electricity Regulatory Commission;

(b) grants and donations;

(c) income generated from the proceeds of the Fund.

Object and purpose of the Fund.

4. The object and purpose of the Fund is to finance activities relating to—

(a) the production of wood fuel, power distribution poles and energy crops for production of bio-fuels; and

(b) growing of trees in order to conserve soil and preserve catchment areas for hydro-power dams, including provision

- of a sink for carbon dioxide generated through combustion of fossil fuels.
5. There shall be paid out of the Fund payments in respect of any expenses incurred in pursuance of the object and purpose for which the Fund is established. Payments out of the Fund.
6. The expenditure incurred on the Fund shall be on the basis of, and limited to, annual work programmes and cost estimates which shall be prepared by the officer administering the Fund at the beginning of the financial year to which they relate. Expenditure on the Fund.
7. All receipts, earnings and accruals to the Fund, and the balance of the Fund at the close of each financial year shall be retained by the Fund for purposes for which the Fund is established. Retention of receipts and earnings.
8. Existing Government financial and procurement regulations and procedures shall apply in the administration of the Fund. Application of financial and procurement regulations. Administration of the Fund.
9. (1) The officer administering the Fund shall—
- (a) open and operate a bank account at a bank to be approved by the Minister for the time being responsible for finance into which all the monies due to the Fund shall be paid;
- (b) supervise and monitor expenditures to ensure compliance with approved annual budgets;
- (c) cause to be kept books of accounts and other books and records in relation to the Fund of all activities and undertakings financed from the Fund;
- (d) prepare, sign and transmit to the Controller and Auditor-General, in respect of each financial year and within three months after the end thereof, a statement of accounts relating to the Fund and showing the expenditure incurred from the Fund, and such details as the Minister for the time being responsible for Finance may from time to time direct, in accordance with the provisions of the Public Audit Act, 2003; and No. 12 of 2003.
- (e) furnish such additional information as he may deem to be proper and sufficient for the purpose of examination and audit by the Controller and Auditor-General in accordance with the provisions of the Public Audit Act, 2003. No. 12 of 2003.
- (2) Every statement of account shall include details of the balance 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.
10. In the event of winding up of the Fund, the cash balances shall be transferred to the Exchequer while other assets of the Fund shall be transferred to the Government. Closure of the Fund.

Dated the 17th October, 2007.

AMOS KIMUNYA,  
Minister for Finance.