



REPUBLIC OF KENYA

## ***KENYA GAZETTE SUPPLEMENT***

### **NATIONAL ASSEMBLY BILLS, 2019**

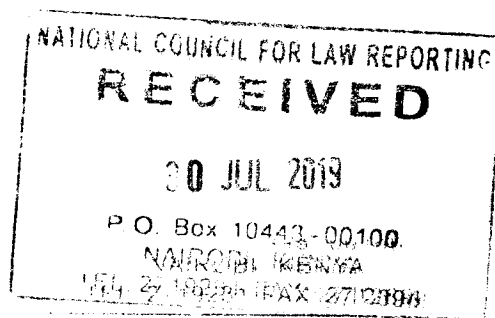
**NAIROBI, 18th June, 2019**

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## THE EQUALISATION FUND BILL, 2019

### A Bill for

**AN ACT of Parliament to operationalise Article 204 of the Constitution; to establish structures of directly administering the Equalisation Fund and for connected purposes.**

**ENACTED** by Parliament of the Republic of Kenya as follows—

### PART I—PRELIMINARY

1. This Act may be cited as the Equalisation Fund Act, 2019. Short title.

2. In this Act, unless the context otherwise requires— Interpretation.

“Board” means the Equalisation Fund Board established by section 6 of this Act;

“Chairperson” means the Chairperson of the Board appointed under section 7 of this Act;

“Cabinet Secretary” means the Cabinet Secretary responsible for the National Treasury;

“Fund” means the Equalisation Fund established under Article 204 of the Constitution;

“Local Committee” means a Local Equalisation Fund Committee established by section 20 of the Act;

“marginalised community” means—

- (a) a community that, because of its relatively small population or for any other reason, has been unable to fully participate in the integrated social and economic life of Kenya as a whole;
- (b) a traditional community that, out of a need or desire to preserve its unique culture and identity from assimilation, has remained outside the integrated social and economic life of Kenya as a whole
- (c) an indigenous community that has retained and maintained a traditional lifestyle and livelihood based on a hunter or gatherer economy; or

(d) pastoral persons and communities, whether they are—

- (i) nomadic; or
- (ii) a settled community that, because of its relative geographic isolation, has experienced only marginal participation in the integrated social and economic life of Kenya as a whole; and

“marginalised area” means a geographical area where a marginalised community exists as determined by the Commission on Revenue Allocation in accordance with Article 216(4) of the Constitution.

3. The purpose and object of this Act is to—

Purpose and  
object of the Act.

- (a) provide a framework for the direct administration and management of the Fund;
- (b) establish an Equalization Fund Board responsible for administering and managing the Fund; and
- (c) establish structures and mechanisms of implementing the Fund.

4. Pursuant to Article 204(3)(b) of the Constitution, this Act shall apply to the direct use of the Equalisation Fund to provide basic services including water, roads, health facilities and electricity to marginalized areas to the extent necessary to bring the quality of those services in those areas to the level generally enjoyed by the rest of the nation, so far as possible.

Application.

## **PART II—THE EQUALISATION FUND**

5. (1) The Equalisation Fund shall comprise—

Monies of the  
Fund.

- (a) one half percent of all revenue collected by the national government each year calculated on the basis of the most recent audited accounts of revenue received, as approved by the National Assembly;
- (b) income generated from proceeds of the Fund; and
- (c) the cumulative amount of national revenue from previous years not spent.

(2) All receipts, savings and accruals to the Fund and the balance of the Fund at the end of each financial year shall be retained in the account of the Fund.