



REPUBLIC OF KENYA
COUNTY ASSEMBLY OF KILIFI

SECOND ASSEMBLY –THIRD SESSION

THE HANSARD

Wednesday, 27th March, 2019

*The House met at the County Assembly Chamber,
Malindi Town, at 2:30 p.m.*

[The Deputy Speaker (Hon. Kenga) in the Chair]

PRAYERS

MOTION

ADOPTION OF THE REPORT OF THE KILIFI COUNTY FISCAL STRATEGY PAPER, 2019

Hon. Kiraga: Thank you very much Mr. Speaker. I beg to move the following Motion:-
THAT, this House adopts the Report of the County Budget and Appropriations Committee on the Kilifi County Fiscal Strategy Paper, 2019 laid on the Table of this House on Tuesday, 26th March, 2019.

Before I give hon. Pascal to second this Motion, I have the following submissions. Before my submissions Mr. Speaker, I would wish to thank your office and the office of the Clerk for giving the Budget Committee the outmost help on its deliberations as far as this document is concerned. More so, may I also thank the Membership of this Committee, the secretariat attached

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to this Committee for their dedication towards coming up with this Report. Allow me to give a few highlights on this Paper.

Mr. Speaker, we understand that this Paper was committed to the Sectoral Committees together with the Budget Committee and we thank God that immediately after it was committed, the Committees started working on this document by even calling upon the various CECMs (County Executive Committee Members) to come and shade light on some areas where the Committees felt they needed clarifications.

Let me first of all go to the legal compliance of this document. When we talk of legal compliance; they are various regulations attached to this Paper. These regulations are found in the Public Finance Management (PFM) Act, 2012 and of the regulations is section 117 (1) which calls for this Paper to be approved by the cabinet. If you look at the forwarding letter which the Paper was submitted with to the County Clerk, it proved that this Paper passed through the cabinet and it was discussed and approved. So, item number one was complied with.

Mr. Speaker, again the same section 117 (1) gives a deadline on submission of this Paper to the County Assembly and the deadline is 28th February. This Paper came to the County Assembly on the very date, which is 28th February at around 4 p.m. so, that item was also complied with. The Paper should also align itself with the broad strategic priorities and the policy goals. When we talk of the policy goals, we are directing ourselves to the five point agendas which are; food security, quality education, quality healthcare, self water and beneficial use of land. So, if you look at this Paper we have a highlight of the same and really it aligned itself with the broad strategic priorities.

Mr. Speaker, again it is a must that this document should be subjected to public participation and if you look at the forwarding letter, the annexes in that Paper which came to the Clerk, there is a report to confirm that it passed through public participation and there is even some membership of some stakeholders and their contacts attached to it. The fiscal responsibility principle on wages was not obeyed by this Paper and that item is found on section 107 of the Public Finance Management Act.

This item demands that the wages should not exceed a percentage of 35% but if you look at it, the wages have gone over and above 35% in fact we are at 38.94%; that item was not obeyed. But, while engaging the County Treasury there was a justification for this Mr. Speaker. Remember that the county allocation that we are to get next financial year has been cut and this is to all counties and it is at a tune of Ksh.1.5 Billion and Mr. Speaker if you look at Ksh.1.5 Billion together with the local revenue targets we are going to have in the next financial year, this Paper is targeting Ksh.1 Billion and the current financial year we have Ksh.1.3 Billion. Therefore we are also going to be in short of around Ksh.300 Million. So, looking at these developments it was very hard for this item to be obeyed and most of those monies which were cut are mostly from the recurrent expenditures.

Another item that is in section 102 (2b), calls for the development budget not going below 30%. This item was obeyed but we are a balance because we are at 30.16%. That means although it was obeyed but we are at a very tight rope and again this Paper should align itself with the various planning documents for example the ADP (Annual Development Plan), CIDP (County Integrated Development Plan) and when you go through this Paper it aligned itself with those planning documents.

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Finally Mr. Speaker, it is a requirement that it should also align with the National Budget Policy Statement. When you talk of National Budget Policy Statement we are also talking of the Government visions like the vision 2030; it aligns itself on those areas Mr. Speaker.

Briefly while the Committee was also mandated after having received Reports from the various Sectoral Committees we found that the proposal which came to the Budget Committee, the needs went over and above two point something Billion. Mr. Speaker if you look at the resource envelope, it was very much tight for the Committee to look into all those proposals as submitted by the Sectoral Committees and therefore we were left with a very tight decision as a Committee to see where we can source for funds and to see where these funds can be re-directed to. As a committee we did our best and that is why we humbly request this assembly to approve the following deliberations and recommendations from our deliberations.

One, we managed to source Ksh.50 Million from Finance and Economic Planning Mr. Speaker that is O and M (Operations and Maintenance). We also managed to source Ksh.20 Million from the Transport and Public Works that is from strategic innovations. We also managed to source Ksh.20 Million from the Department of Devolution that is still from O and M. We also managed to source Ksh.20 Million from the Trade Department that is also from the O and M. We also managed to source Ksh.50 Million from the Department of Education from O and M and specifically Mr. Speaker from the milk programme. We also managed to source Ksh.30 Million from the Health Department.

Mr. Speaker after doing all these savings we came up with a total savings of Ksh.190 Million and it was our proposal and recommendations that out of the Ksh.190 Million, we appropriate these funds to the following items... but we were also guided by various regulations and these regulations were passed by this House and one of the regulations is the *Mbegu* Fund. Remember Mr. Speaker in *Mbegu* Fund these are regulations which require that 1% of the county revenue should go to *Mbegu* fund.

Mr. Speaker the department had allocated Ksh.60 Million to *Mbegu* Fund, but Ksh.60 Million does not align itself with that regulation and therefore we took Ksh.45 Million added to Ksh.60 Million which gives us Ksh.105 Million. Mr. Speaker, you realize that the next financial year the resource envelope for the whole county basket will be around Ksh.10 Billion, so if you take 1% of Ksh.10 Billion it comes to around Ksh.103 Million but remember Ksh.103 Million cannot be divided equally for the 35 Wards. There is going to be some shillings remaining so we simple added Ksh.2 Million to that to have Ksh.105 Million so that if it is to be shared equally among the 35 Wards it becomes Ksh.3 Million per Ward. That is an item we looked at.

Again Mr. Speaker, this county entered into some memorandum of understanding with various development partners. When we talk of development partners we are not excluding the National Government. There are some projects that the County Government entered into an MoU (Memorandum of Understanding) with the National Government; that we are going to do this as our part and you also do this as your part. One of these, Mr. Speaker was the Ngomeni Sea Wall and we managed to allocate Ksh.35 Million to that project. Mr. Speaker out of the Ksh.190 Million we also managed to appropriate Ksh.30 Million to personal emoluments in the Department of Finance.

Mr. Speaker, you will agree with me that in this county we don't have a Monitoring and Evaluation Department and this has given us weak monitoring agencies. You must have witnessed that in this House, most of the Statements responded by the executive fall short with what is on the ground and that is caused by lack of proper Monitoring and Evaluation. It is the

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view of this Committee that we now plan to have a Monitoring and Evaluation unit in the Department of Finance so that they can take up those issues.

Finally Mr. Speaker, we managed to appropriate Ksh.30 Million to the County Assembly Loans and Mortgage for the staff. Mr. Speaker, you understand we were in need of Ksh.50 Million but we could not source that. However, we managed Ksh.30 Million and we believe this will not be used at a go; the staff will not apply at a go. There must be some space. I believe in the next succeeding financial years we might be able to add the required Ksh.20 Million. Mr. Speaker, I wish to end by at least giving a very brief highlight on the Department of Agriculture and I want it to be on record Mr. Speaker...

(Hon. Chengo stood on a Point of Order)

Hon. Chengo: Thank you Mr. Speaker. I rise on a point of order seeking your guidance as the Speaker. Mr. Speaker I am holding the Report the Chairperson has brought before this House and going by what is in this Report we expect once we pass this Report everything that is captured in this Report is right and very factual. I am worried if the Members have gone through the Report because of the timing but in my quick perusal in this document I have noticed that there are issues that we need clarity before we proceed, or else then the Report has to be rectified before it is brought to this House.

Through your guidance that Mr. Chairperson; For instance looking at Department of Trade, Tourism and Cooperatives, item number three whereby we talk about salaries of employees, I don't know whether that is one or an exclamation mark. We are talking of figures Mr. Speaker and if we are not going to get the right figures here then I think we are passing a document which is even going to mislead even the ceilings of this department. To me, I cannot tell whether it is 501 or there is an exclamation mark in between. Looking at the Economic Planning, Trade and Tourism Committee Mr. Speaker, there are some items there which to me do not make any meaning and if I am to be convinced and pass this document then I think that this document must be accurate including the recommendations that have been written. When you look at item number three they say "the establishment of the Mazeras market will be hard to be realized in the coming financial year if the ceiling..." to me that statement is hanging you cannot tell what it means.

When you go to item number four ... "at least 30% of the department's budget will go into the Mbegu Fund hence the department will be left with very little money to make any meaningful development." To me still this statement does not make any sense and we are talking of figures and facts that are to be utilized in every department. So, the information that is captured in this Report must be very accurate. With your indulgence, I seek your guidance that you direct that this Report before us to capture the right information before it is handed to us. Thank you, Mr. Speaker.

The Deputy Speaker (Hon. Kenga): Thank you very much. I want to advise the Member for Tezo to kindly allow the Chairperson to move the Motion and we get the seconder to also make his contributions and then once the question has been proposed you have the time now to either support or oppose the Motion as moved by the Chairperson. Hon. Kiraga, kindly wind up.

Hon. Kiraga: Thank you very much Mr. Speaker. I think I have understood him very well and you know the Member is reading concerns from the department but as I have put it all the proposals from the department amounted to Ksh.2 billion. As a Committee, I think I have

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explained clearly that it was impossible to have all those programmes included. You know the departments have got some concerns and they are there for you to read. These are annexes from the various departments. Let me proceed, Mr. Speaker and thank you for that ruling.

The Department of Agriculture especially the agriculture and crop production sector was allocated Ksh.100 million but within this Ksh.100 million it was an agreement between the treasury and the department headed by the CEC Agriculture and the programmes which have to be done within that allocation of Ksh.100 million are the following. I want to be on record and we can even call the Friday's HANSARD Report on the CEC Finance giving his submissions.

Out of the Ksh.100 million, Ksh.40 million goes to cassava plant at Tezo. Out of the Ksh.100 million, Ksh.40 million again goes to irrigation development in this county and finally the Ksh.20million... and these are strategic intervention for the crop production for the department; that the Ksh.20 million goes to the tree crops production. I want to extend the fears that the cassava plant of Tezo will be implemented because it has enough money amounting to Ksh.40 million.

I just want to call upon the Agriculture Committee when it comes to the final estimates which are just around the corner let them be very observant. While retrieving to our Sectoral Committees and looking at those estimates they should make sure that the Department of Agriculture has obeyed this. With those few remarks allow me to call upon hon. Pascal Jacob Tuva to second this Report. Thank you very much.

(Hon. Pascal seconded)

(Question proposed)

Hon. Pascal: Thank you Mr. Speaker for giving me this opportunity to agree with the Report and kindly ask the hon. Members to pass this noble Report. Let me start by saying that this Report has been all inclusive and it has touched on the very many important areas that we need to dwell on as a county. The Chairperson has almost outlined everything but as a Member of this committee I want to talk on a few items that I feel have been left out.

When the committee sat, it looked at the very critical areas that we need to indulge in as a House. Some of the very important recommendations that the committee dwelled on was to try and see how it would allocate the reserve that we were able to get from the various allocations. One of the very important aspects that we looked into and that anchored into the five important points we were dealing with as a county is on education. That explains the Ksh.50 million we managed to save was allocated to the Department of Education into hiring the caregivers. I know you will agree with me that the ECD (Early Childhood Education) section is under the county government management.

We all have had a problem on the ground that we do not have enough teachers to take care of our children at the ground level. That is why as a committee we decided to allocate the Ksh.50 million we had saved for hiring more ECD caregivers.

We have also been at war on the ground that our people need to get a fund that will actually assist them into doing business and the Mbegu Fund which has been a brain child of this House has for many years not picked up because of lack of funds. That is why this committee in its wisdom thought of enhancing that fund and we can see that we allocated money for that kit. This is to say that we want to bring sense in the running of businesses in our wards because we

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want to ensure that the women who have no opportunities and the youths who have less opportunities can rise up and utilize this fund by starting their businesses on the grassroots and change their fortunes for the better.

Again Mr. Speaker, the reserves that we managed to save was used to enhance the Fisheries Department whereby Ksh.35 million was set aside for the landing sites...

(Hon. Ziro stood on a Point of Order)

The Deputy Speaker (Hon. Kenga): What is your Point of Order hon. Ziro?

Hon. Ziro: Thank you Mr. Speaker. I think the hon. chairperson was very clear in tabling the Motion and now the person who is trying to second the Motion hon. Pascal is repeating exactly what the chairperson has told us. So, I do not know whether he is telling us that the chairperson was not correct by trying to correct the same thing. Thank you.

The Deputy Speaker (Hon. Kenga): Any part that was corrected from his contributions?

Hon. Ziro: He is talking of the Mbegu Fund which the chairperson already highlighted; he is talking of Ksh.50 million which was placed in this department and the chairperson has already talked about.

The Deputy Speaker (Hon. Kenga): Of course that is the Motion that is before this House and he has every right to debate. You are out of order. Kindly take your seat.

Hon. Pascal: Thank you Mr. Speaker, for ruling on the affirmative. These are the issues that we want to enlighten Members on, because the chairperson just touched on these things lightly and we need to put that sense in Members so that they can know why they should support this Report in this House.

Again, there are issues that we itemized because the Senate, the Council of Governors and CRA (County Revenue Allocation) are now discussing a Motion on how they should discuss on the revenue distribution and we anticipate that after that discussion between the three bodies we are likely to have a plus on the equitable share that is likely to come to Kilifi County. Just because of that anticipation, there are issues that we actually itemized because we are very hopeful that the equitable share will be added to us.

There are things that we itemized as issues of priority once that money comes and one of the very important items that we discussed is the issue of the ward scholarship which despite the fact that we chose the law to have Ksh.20 million in every ward still because of the depleted resources, we maintained it at Ksh.350 million per year because we were waiting for that money to come so that we can enhance that figure and we put the Ward scholarship as the first item of concern so that when this money comes we can start enhancing that figure.

Again there is the issue of crab farming which is a very critical item that we discussed at the committee level and this we put it at a second point in waiting because we have identified a partner who is ready and in fact has already started some work on crab farming and had offered an opportunity for the county government to chip in so that it can assist those communities that live along the sea to actually start this crab farming. The work that we have as a committee is to pass it in this House as it is a very important activity and beneficial. If we embrace it, then the communities would have it for a very big harvest and profit at the same time.

The other time that we also put in waiting was the car and mortgage loans for the county assembly staff. Our assembly staffs have not had an opportunity to enjoy the car and mortgage facilities because that fund has also been depleted of its amount and as a county assembly it will

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be very fair for us to take care of our workers here so that they can also be better off and serve us well. That is why we put that one as third in waiting so that when that money comes we can enhance it and support our staff.

The other item in waiting is the issue of ongoing projects; we also need to complete them so that they can serve the people down there. So, that is an item also included.

The fifth and the last is that there are counterparts who also come in and out all the time trying to partner with government. That is why we itemized this as number five so that when that money comes, then we can include it here and start these projects as partnership projects. Let me not tire this House; those are the issues that we wanted to highlight to this House and I would kindly appeal to hon. Members to pass this Report and once implemented I think it will be better for the people of Kilifi. Thank you for that opportunity.

The Deputy Speaker (Hon. Kenga): Thank you.

(Question proposed)

Given that there is no request that has been made; I want to confirm that there is consensus.

(Question put and agreed to)

COMMUNICATION FROM THE CHAIR

ADJOURNMENT FOR SHORT RECESS FROM 28TH MARCH TO 8TH APRIL, 2019

The Deputy Speaker (Hon. Kenga): Hon. Members, there is a communication that I would wish to make on the adjournment for the Third Session, First Part short recess. That; pursuant to provisions of Standing Order 25, this House stands adjourned for the Third Session, First Part short recess starting from tomorrow Thursday, 28th March, 2019. Hon. Members, plenary sittings will resume on Monday, 8th April, 2019. Signed by the hon. Speaker, County Assembly of Kilifi and dated 27th March, 2019. Thank you.

ADJOURNMENT

There being no other Business in the Order Paper, this House stands adjourned. Thank you.

The House rose at 3:09p.m.