

REPUBLIC OF KENYA
MACHAKOS COUNTY ASSEMBLY

OFFICIAL REPORT

Tuesday, 25th June, 2019

The House met at 11.06 p.m.

[The Speaker (Hon. (Mrs.) Mwangangi) in the Chair]

PRAYERS

Hon. Speaker: Good morning, Hon. Members. I think the cold has got the better of me; my voice is not as usual, that is part of the nature. I will ask the clerk to lower the mace for some informal chatting.

(The Mace was lowered)

(County Executive Committee Member for Finance and Economic Planning His Excellency the Deputy Governor, Eng. Francis Maliti entered the Chamber)

(The Mace was put on the Table)

You can resume your seats Hon. Members and our guest too. So good morning Members and our guest His Excellency the Deputy Governor. We want to start the business this morning; we are through with the first Order that is prayers and we are on the second Order.

COMMUNICATION FROM THE CHAIR

BUDGET ESTIMATES AND REVENUE RAISING MEASURES 2019/2020

Hon. Speaker: Hon. Members, on the communication from the Chair, it is as follows;

To the County Executive Committee Member for Finance and Economic Planning who is the His Excellency the Deputy Governor Machakos county Eng. Francis Maliti, the Hon. Members of the County Assembly, ladies and gentlemen good morning. I welcome you all to this sitting; it is a special day Hon. Members when our County and our County the Executive Committee Member for Finance will address the County Assembly on the Budget Estimates for the County for the Financial year 2019/2020.

Hon. Members, Section 132(1) of the Public Finance Management Act, 2012 provides as follows; each financial Year, the County Executive Member for Finance shall, with the approval of the County Executive Committee, make pronouncement of the revenue raising measures for the County Government.

Further, section 132(2) of the same Act requires the County Executive Committee Member for finance, to submit to the County Assembly the County Finance Bill, setting out the revenue raising measures for the County Government, together with a policy statement expounding on those measures on the same date that the revenue raising measures are pronounced.

Hon. Members, the Budget Estimates for FY 2019/2019 were received in the Assembly on 30th April, 2019 pursuant to section 129(2)(a) of the Public Finance Management Act. The Assembly has been considering the Estimates, Hon. Members, as you are aware because you are the ones who have been prosecuting it and that has included public participation which took place on 11th to 14th June, 2019 as well as engagement with the County Departments on the period between the 17th and 18th June, 2019. The Budget Committee is finalizing the Budget Estimates report so as to make way for approval of the Appropriation Act before the 30th June, 2019 as is required by the law.

Hon. Members, when the County Executive Committee Member for finance will be making the budget highlight pronouncements, he will be heard in silence and that is pursuant to Standing Order 20(3) of this House.

So now Hon Members I take this opportunity to invite the County Executive Committee Member for finance and economic planning, Hon. Eng. Francis Maliti, who is as I stated is also the Deputy Governor to make his Policy Statement on the Budget Estimates for the FY 2019/2020. So, I urge you Hon Members to pay special attention to that Address. Thank you, Hon. Members and welcome Hon. Eng. Maliti.

(Applause)

County Executive Committee Member for Finance and Economic Planning (His Excellency the Deputy Governor Eng. Francis Maliti): Thank you, Madam Speaker, Hon. Members of the Assembly, today the 25th day of June, 2019, on the authority of our Constitution of Kenya 2010, Section 132 of the Public Finance Management Act 2012 and our respective County laws, I respectfully rise to present the budget statement and economic policies of the County Government of Machakos for the Fiscal Year 2019/2020 to this Hon House.

Despite the many challenges, Madam Speaker, we approach this process with humility and gratitude to God Almighty. We recognize that while current resources are constrained to meet every need and every demand of our people, there are no limitations on our collective potential, our will and our hope that the sacrifices we make and the seeds we sow today will achieve sustainable results putting Machakos County on an irreversible path of enviable progress.

On 27th of June, 2018, I stood before you all and urged this Hon. House to support His Excellency the Governor, Dr. Alfred Mutua's commitment to the County's development agenda to ensure equitable development across the County. Madam Speaker, permit me to say that I am proud and indeed elated that the Hon. Members heeded to my clarion call and approved the Budget for the betterment of our County, Machakos.

(Applause)

Madam Speaker, on behalf of His Excellency the Governor, I wish to thank you all, the citizens of this great County, for your patience, perseverance, sacrifices and partnership that you

have extended to the Government. It is a social contract that we do not take lightly, at all. It is a great step that all Members of this Hon. House have made a decision to lead the campaign and commitment for a better working relationship between the Assembly and the Executive.

Madam Speaker, we have, in the last five budget years, taken some tough decisions to get the County out of some very rough seas. Acknowledging that there is still hardship in the County, we are comforted by the fact that we have managed, Madam Speaker, to ease the impact of the hardships that the people of Machakos had been resigned to prior to devolution. We remain we remain and I repeat fully committed to fulfilling our mandate to the great people of Machakos to deliver the manifest destiny of this blessed County. What is however clear is that the County is moving forward, in the right direction under this Government.

Madam Speaker, this budget has been prepared against the backdrop of the just released Gross County Product (GCP) 2019 by the Kenya National Bureau of Statistics, which puts Machakos County among the top five Counties with a GCP of 3.2. We have also been ranked among the Counties with the highest concentration of industrial activities. We are confident that interventions that have been initiated by our government have played a significant role in this positive ranking.

The report also notes that our County ranks low in terms of agricultural activities. Madam Speaker, we intend to build on these findings and ensure that our County is self-sufficient and rich in terms of agricultural production. We are further pleased that our county is no longer among the food insecure ASAL counties.

His Excellency the Governor, Dr. Alfred Mutua, is on record championing for the improvement of lives of not only the residents of Machakos County but also for our entire Country. Madam Speaker, as I roll out the County policies, I wish to reiterate the Governor's vision of "Propelling Machakos from Third World to the First World." This shall be achieved through addressing a myriad of challenges in the County that include *inter alia* inadequate infrastructure, inaccessibility to health services, limitation of access to clean water and sanitation and youth unemployment.

It is in the interest of the above aforementioned, Madam Speaker, that I have retained the theme of "Economic Transformation through Sustainable Production, Infrastructure and Social Development."

Consequently, Madam Speaker, I present to this House and to the people of our great County of Machakos:

- A budget that delivers on the hopes and expectations of Machakos residents;
- A budget that speaks to the needs of a hardworking populace;
- A budget that reflects the County Government's commitment to building human capital through improvements in health and education;
- A budget that provides opportunities for wealth creation;
- A budget that supports the industrial transformation vision;
- A budget that builds infrastructure;
- A budget that builds and connects the agro-business value chain;
- A budget that promotes the culture of entrepreneurship; and
- A budget that enables us to face the future with confidence.

Madam Speaker, this is a budget for the people.

(Applause)

On Spending Priorities

Madam Speaker, let me now highlight the key spending priorities in the coming Financial Year 2019/2020.

Investing in Infrastructure and ICT Development

Madam Speaker, the County has implemented various strategies aimed at improving infrastructure since devolution. This, in turn has improved competitiveness of the County. In the last one year we have upgraded 80 kilometres of road network to bitumen standards, with 20 kilometres works ongoing. We have also opened up and maintained a total of 1,200 kilometres of access roads. To build on this progress made so far, I have allocated Ksh. 470 Million for the maintenance of the existing road network and upgrade of a further 400 kilometres across the County with at least 40 kilometres to bitumen status.

(Applause)

Madam Speaker, Airports are not just places to catch planes, attend an in-transit business meeting, or do some duty-free shopping; they are among the largest investments a city or a region can make. Studies have shown that a 10 percent increase in passengers in a metro generates a one percent increase in regional employment thus a good airline service is an important factor in urban economic development. To this end Madam Speaker, I have allocated Ksh. 100 million for the initial set up of Machakos Airport to spur economic development.

(Applause)

To attract investors and investment opportunities, besides enhancing Public Private Partnerships, I have proposed an allocation of Ksh. 255 million towards the completion of Government buildings. These will include conference facilities, trade and exhibition centers and an office complex that will enable both public and private entities undertake their activities in the County hence increased County earnings.

Madam Speaker, security is key to sustained economic growth and development. At the same time, the County visualizes a 24-hour economy that will engage its locals socially and economically. Currently, we have operationalized 890 floodlights and 751 solar streetlights have been installed. To build up on this achievement, I have allocated Ksh. 20.5 Million for the connection of *Mulika mwizi* to the power grid.

(Applause)

We are living in a constantly evolving digital world. Information and Communications Technology is one of the economic development pillars if one intends to gain a national competitive advantage. The lack of appropriate information at the right time results in low productivity, low quality research works and time wastage. To support ICT and enhance efficiency in service delivery, Madam Speaker, I have allocated Ksh. 12.4 Million for Purchase of ICT networking Communications equipment, backups, GPS and other software.

On ensuring food security, Madam Speaker, agriculture is the mainstay of our County economy. Although the sector has not achieved optimal production due to over-reliance on rain-

fed agriculture, drought and inaccessibility to affordable farm inputs and implements, investing in this sector Madam Speaker, will lead to increased productivity, increased food supply and reduced food related prices.

In this Financial Year 2019/2020, I have allocated Ksh. 17 million for *Ndengu* and avocado farming promotion, besides the ongoing free seeds distribution program in the County, Ksh. 5.5 Million for the distribution free chicks to our residents, Ksh. 5 million for Artificial Insemination (AI), Ksh. 2 Million to purchase motorbikes for extension officers.

A further Ksh. 30 Million has been allocated for hatcheries and bee keeping promotion out of which Ksh. 15 million will go towards the establishment of hatchery centres in all the sub-counties while Ksh. 16 Million is meant for the promotion of livestock farming through construction and rehabilitation of cattle dips and slaughterhouses.

(Applause)

As you are aware Madam Speaker, the Government has rolled out the quarter acre program which will help farmers maximize production of horticultural produce such as capsicum, black nightshade and garlic for commercial purposes. This will improve the livelihoods of the farmers and the Gross County Product (GCP). I have therefore allocated Ksh. 43 Million for the project which will comprise provision of pond liners, agro-chemicals, seeds and a back-hoe to enable farmers reach optimal production.

It is estimated that every household engaged in this program will earn at least Ksh. 65,000 per month. This will improve food security and guarantee a steady flow of income to the households.

In conjunction with development partners, Ksh. 160 million has been allocated for expanding extension services to our farmers, advance grants to common interest groups, the vulnerable and marginalized including our Youth and People Living with Disabilities. These interventions are aimed at improving agricultural production.

Madam Speaker, coffee has been declared an orphaned crop especially in Kangundo, Kathiani, Machakos and Matungulu Sub-Counties. Deliberate efforts are therefore being made to promote its farming through provision of coffee seedlings and fertilizers to farmers at a cost of Ksh. 18 Million. This will help in increasing the yield per tree and quality of coffee which will be competitive in the market thus higher profit margins for the farmers.

I have also allocated Ksh. 45 Million for support of our cooperative societies. This will facilitate provision of extension and support services, capacity building, value-addition and credit facilities to Members through establishment of a revolving fund which will be administered by the Co-operative Department.

(Applause)

Universal Access to Quality Health Care Services

Madam Speaker, as a policy directive and in line with the Astana World Health Organization (WHO) and UNICEF Declaration of 2018 which is a world health standard, at least 30 per cent of the County Budget should be allocated to the health Sector, I proudly submit to this house that I have allocated 32 per cent of the total County Budget to this sector which is above the said standard.

(Applause)

The County is currently implementing various programs to ensure a healthy population which is a key factor in the attainment of socio-economic development. We have constructed 37 community hospitals and another seven will be completed by end of June 2019. This translates to at least one community hospital in every ward. We are also upgrading six health centres to Level IV status. So far Madam Speaker, we have 131 operational dispensaries and 31 health centres.

Machakos County is among the four counties piloting the Universal Health Care (UHC). Out of approximately 1.3 Million residents, 1.1 Million residents have been enrolled into the program translating to 445,139 households. Madam Speaker, we have currently embarked on upgrading of Machakos Level V hospital to a model referral hospital. To achieve this, I have allocated Ksh. 542 Million for maintenance and equipping of all the facilities in the hospital.

(Applause)

Further, Madam Speaker, I have allocated Ksh. 136 Million for maintenance and equipping of the four Level IV hospitals in the County. This will enable us bring quality health services to mwananchi at the Sub-County level without having them travel all the way to Machakos town to get the same. To consolidate the gains achieved and in order to achieve a 100 percent universal access to quality health care services I have allocated Ksh. 35 Million for completion and upgrading of the community hospitals and dispensaries.

(Applause)

Human Capital Development

Madam Speaker, provision of quality and relevant education and training is critical for human capital development which is critical for economic growth. For this reason, I have allocated Ksh. 35 million for construction of Early Childhood Development Education (ECDE) centers and Ksh. 120 million for bursaries.

(Applause)

Further, Madam Speaker, in order to address the problem of youth unemployment, there is need to impart adequate technical skills in our youth necessary for industrialization. To this end I have allocated Ksh. 51 million for capitation programme in all our vocational training centres. All the enrolled students which is approximately 3,147 youth will each receive Ksh. 15,000 paid directly to the VTC.

Construction and equipping of youth centres together with expansion of existing Vocational Training Centers is ongoing to which, Madam Speaker, I have allocated a total of Ksh. 21 million. A policy will be developed in future to have at least one youth polytechnic in every ward to better equip our youths with adequate and necessary technical skills so that they can be employment-creators and not necessarily job-seekers.

Madam Speaker, the County Government will establish a unit for Youth Empowerment where we will provide training and mentorship. We will also engage in sports activities by providing kits for the community teams, medal awards and funding various tournaments in the

County. This will motivate the youth to engage in various sporting activities rather than idling which tempts our youth into criminal and immoral activities in the society. I have therefore allocated Ksh. 15 Million for sporting activities in the County.

Madam Speaker, since devolution, we have constructed and fully equipped one Stadium and construction works for another four stadia to international standards are ongoing namely; Masii, Ikombe, Athi River and Kinyui. I have allocated Ksh. 110 Million for the completion of the four ongoing stadiums and construction of a further five in the next Financial Year. In the same breadth, Madam Speaker, Ksh. 9.5 million has been set aside for pitch set-up of 160 community playgrounds.

(Applause)

This will provide our youth with quality sporting facilities as well as contribute to sports tourism as the County will be in a position to hold international games and events.

Enhancing Accessibility to Clean and Safe Water

Madam Speaker, access to clean water in urban areas currently stands at 40 per cent and we remain committed to the provision of clean and safe water for both domestic and industrial use. We have so far undertaken two treatment works in Muthetheni and Kwa Mukonzo, while 338 dams and 436 boreholes have been sunk besides operationalizing two mega dams namely, Nthugululu and Ikalaasa in Yatta and Mwala Sub-Counties respectively. Madam Speaker we are in consultation with the national Government through the Ministry of water to operationalize Ng'alalya borehole in Matungulu Sub-County which is one of the highest yielding boreholes in the Country.

(Applause)

Significant achievements have been realized through distribution of 1,032 water tanks to Primary Schools and some public institutions; we have also constructed 12 elevated steel tanks. Noting that the County is a water-scarce zone with less renewable freshwater sources, in this financial year Madam Speaker, I have allocated Ksh. 150 Million for construction of 1 mega dam, rehabilitation and de-silting of earth dams, 60 water pans and four treatment works. Ksh. 23.6 Million has been allocated for nine elevated steel water tanks and Ksh. 48 Million has been set aside for drilling, equipping, rehabilitating and reticulation of 80 boreholes.

Safeguarding our Environment and Natural Resources

Madam Speaker, a sum of Ksh. 6.7 Million has been allocated to Increase awareness on environmental conservation strategies by communities and ensure sustainability of environmental programmes.

Madam Speaker, to support the growth of our urban areas, I have allocated Ksh. 1 Billion through the Kenya Urban Support Programme which aims at improving the drainage and waste disposal systems in our three municipalities namely Machakos, Mavoko and Tala/Kangundo. Through this programme, we will also implement other projects such as street lighting and installation of cabro in the designated markets.

Madam Speaker, for sustainable management of land resources, I have allocated Ksh. 28 Million which will go towards the development of a spatial plan and revision of the valuation roll

for land tax obligation. The new valuation roll will be a key tool in enhancing the County revenue collection as it will identify a wider bracket that includes recent sub-divisions of land and property rates.

Revenue Management and Enhancement

Madam Speaker, to expand its revenue base, the County plans to institute measures to eliminate revenue leakages and to counter challenges that hinder revenue collection. These interventions will amongst others include;

- i. Continuous mapping of all available revenue streams in the County. This will enable the County in revenue target setting and exploiting dormant revenue streams.
- ii. Continuous engagement of debt management entity in the directorate to pursue defaulters.
- iii. Continuous sensitization of all citizens on the benefits of paying County rents, rates and fees through Public Participation fora.

To this end Madam Speaker, I have allocated Ksh. 92 Million.

Madam Speaker, as a unit, the revenue collection department will also strive to seal all in-house loopholes and improve service provision. This will institute the following measures;

- a. Purchase of a revenue management system. Through this, the County will eliminate non-disclosure of revenues and leakages through a cashless system with real time monitoring, reporting and analysis of revenue.
- b. Undertaking quarterly revenue inspections throughout the County for compliance purposes.
- c. Enactment and enforcement of all the revenue related laws to the Finance Bill.
- d. Strengthening revenue management by having officer's in-charge for each of the major revenue sources in the County. This ensures efficiency and effectiveness in collection and monitoring of these sources.
- e. Continuous capacity building, redeployment and rotation of revenue collection staff.
- f. Purchase of Motor Vehicles to facilitate inspection and enforcement.

County Administration

Madam Speaker, to ensure coordination of County operations through Decentralized services in the County, a sum of Ksh. 64 Million has been allocated for construction of Sub-County offices and inspectorate headquarters. This will ensure increased accessibility of services to the citizens.

Tourism and Commercial sector

Madam Speaker, tourism being a major foreign exchange earner in the Country, it is important to promote our County to benefit from this sector. I have therefore allocated Ksh. 29 Million for provision of resources for development and transformation of the tourism sector. The County Government will promote tourism in the County through development of tourist attraction sites such as the MacMillan Castle in Matungulu, construction of a giraffe monument and gantries, construction of Rest Areas along our highways and most importantly, maintain our

Machakos People's Park which has continued to be a major venue for major events and concerts, bringing people from all over Kenya to Machakos.

This has helped the hospitality sector growth in our County. Madam Speaker, we shall endeavor to put Machakos on the National Tourism Circuit.

Madam Speaker, we have untapped talent among our youth and the County Government plans to help in talent development through equipping Machakos with a movie and music recording studio. I have therefore allocated Ksh. 2 Million.

Madam Speaker, to provide an enabling environment to our traders and *bodaboda* operators, the Government is planning to complete the ongoing works on market sheds and construct new ones. We will also construct *bodaboda*, juakali sheds, modern kiosks and handcraft markets at designated areas. To achieve this, I have allocated Ksh. 35 Million for the projects. Madam Speaker, we are planning to launch an Industrial Park pilot program where the citizens will access all amenities under one roof, for this I have allocated Ksh. 35 Million. The Industrial parks will create the needed demand for input.

Madam Speaker, in our continuous effort to ensure our County develops equitably; I have allocated Ksh. 600 Million towards the unique ward-based projects.

(Applause)

This will ensure continuity of the initiative and uplift all our wards to be at the same level in terms of development.

Budget Framework

Madam Speaker, allow me to highlight the budget framework for the FY 2019/20 budget and the medium term. As stated earlier, our vision is to "Propel Machakos from the third world to the first world." This is to be achieved through progressive budgetary allocations with the current expenditures being projected at Ksh. 12 Billion. This comprises of Ksh. 8 Billion recurrent and Ksh. 4 Billion development expenditure in the ratio of 66 per cent and 34 per cent respectively.

Madam Speaker, this budget will be funded by three main sources namely; our Own Source Revenue projected at Ksh. 1.6 Billion, National Government Equitable Share of Ksh. 8.2 Billion and Conditional Grants of Ksh. 2.2 Billion.

As I conclude Madam Speaker, we have chosen to be bold in devising a budget that deals with the past, delivers opportunity in the present, while investing responsibly into the future. We will not heed the voices encouraging us to eat the seeds that need to be harvested for the future. We shall not be discouraged by the voices that seek to downplay the gains that we constantly continue to make. We pledge not to repeat the mistakes of the past so long as the majority of the people of Machakos continue to keep faith in our leadership.

I also recognize, Madam Speaker, that building prosperity is not the exclusive domain of the County Government. If we are to win in pushing Machakos forward, then every stakeholder is called upon to own it; be citizens in developing our County and not just mere spectators with strong opinions as our contribution. I thank all the productive citizens of Machakos and all partners, both internal and external, for the great sacrifices and contributions they continue to make every day.

I particularly thank the faith-based organizations (FBOs) whose intercession and prayers for this County continue to bind us together as one people with a common goal. The County

recognizes and appreciates the role you play in fulfilling the Biblical mandate in Matthew 25; to feed the hungry, clothe the naked, take care of the sick and visit the prisoner. The County Government's partnership with you to lift the vulnerable and needy is steadfast and immovable.

Madam Speaker, I do believe, that with faith as our shield and the great people of Machakos as partners, the promise of God, in Genesis 12:2-3 which states and I quote; I will make you a great nation; I will bless you and make your name great... and in you, all the families of the earth shall be blessed, will be our final testament.

(Applause)

In the spirit of this working relationship, I declare that by this budget, we bring tidings of great hope, endless possibilities and a renewed strength to this great County and its people. Indeed, God is with us. God Bless us all and our dear County of Machakos, the Place to Be. Madam Speaker, so I move.

(Applause)

Hon. Speaker: Thank you very much, the county CEC Member for finance and economic planning, the Deputy Governor Hon. Eng. Francis Maliti for the presentation of the county government of Machakos Budget Statement and Economic Policy for 2019/2020. The Members have listened keenly and I also thank them.

ADJOURNMENT

Hon. Speaker: At this point, Hon. Members, the sitting of the House is adjourned, it is going to resume on the 25th June 2019 that is today Tuesday at 2.30 p.m. Have a good day.

The House rose at 12.07 p.m.