

REPUBLIC OF KENYA
MACHAKOS COUNTY ASSEMBLY

OFFICIAL REPORT

Wednesday, 5th December, 2018

The House met at 2.37 p.m.

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

PRAYERS

Hon. Deputy Speaker: Mr. Clerk, do we have quorum? Ring the bell please so that we can be able to get quorum.

(Quorum Bell rung)

Okay, we have quorum now. Let him stop ringing the bell. Mr. Clerk, proceed.

MOTIONS

Hon. Deputy Speaker: Hon. Members, under this Order we have three businesses to transact. The first one is by the Hon. Moses Mitaa, Chairperson Committee on Agriculture. The second one is by the Hon. Dominic Ndambuki, Chairperson Budget and Appropriations Committee and the third one is by the Majority Leader. We start with Hon. Moses Mitaa.

REPORT ON PROPOSED ESTABLISHMENT OF COFFEE MILL IN MATUNGULU EAST WARD

Hon. Mitaa: Thank you, Hon. Speaker.

Mr. Speaker, that aware that the mission for the Department Agriculture, Livestock and Fisheries in Machakos County is promote innovative, commercially-oriented and modern agriculture through development and enactment of enabling legal framework;

Further aware that in May 2018, a motion seeking establishment of a coffee mill in Matungulu East Ward was tabled in this House and was committed to this committee for investigation and reporting;

Remembering that the coffee sector in Kenya has for many years operated under a system that denies small scale growers freedom to sell their own beans and this has kept them in bondage;

Noting that with falling coffee production, there has been too many millers chasing too little coffee from farmers and this has turned coffee business to become violent;

Cognizant that pursuant to Standing Order 192(5)(a) the functions of a sectoral Committee shall be to investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments;

Informed that on various dates during the months of June and July 2018, the committee conducted a fact finding mission to Cooperative Societies in Machakos County including Matungulu Sub-County.

Mr. Speaker, I wish to move the motion that this Hon. House discusses and approves the report of the committee on agriculture on proposed establishment of Coffee Mill in Matungulu East Ward.

I call on Hon. Constance Mbula to second my motion.

Hon. (Ms.) C. Nzioki: I stand to second the report. Thank you.

(Applause)

Hon. Deputy Speaker: Thank you, Hon. Constance for seconding. Hon. Moses, you may read the report.

Hon. Mitaa: Thank you Mr. Speaker, once again.

Introduction

Mr. Speaker, coffee milling involves mechanical hulling or de-husking of parchment or *buni* coffee and includes the polishing and grading of the clean coffee in readiness for marketing. It is a transitional step within the coffee value chain that helps in transforming coffee berries into high quality coffee. In the milling process, two methods are used: the wet milling and the dry mill. Wet milling, is more costly but it has been proven to produce better quality coffee than dry milling.

The coffee sector in Kenya has for many years operated under a system that denies small scale growers freedom to sell their own beans and this has kept them in bondage. For instance, the Coffee Directorate has made it so difficult for ordinary Kenyans to participate in coffee value chain by imposing a \$100 million bank guarantee for anyone seeking to be registered as a coffee marketing agent.

It is worth noting that with falling coffee production, there has been too many millers chasing too little coffee from farmers. This has turned coffee business to become violent, many times bordering on organized crimes, including orchestrated theft of beans worth millions of shillings. Small scale farmers have therefore realized that their survival in coffee business depends on taking control of the value chain, that is milling, warehousing and marketing their own coffee.

Mandate of the Committee

Mr. Speaker, the committee on agriculture is established pursuant to the Second Schedule of the Standing Orders with specific mandate to deal with all matters related to agriculture,

including crop and animal husbandry, co-operatives, livestock sale yards, county abattoirs, plant and animal disease control, irrigation, fisheries, cooperative societies and veterinary services (excluding regulation of the profession).

Committee Composition

Mr. Speaker, the committee on Agriculture comprises of the following Hon. Members;

1. Hon. Moses Mitaa - Chairperson
2. Hon. Michael Mutiso - V/Chairperson
3. Hon. Agatha Mutunga - Member
4. Hon. Benedette Musyoka
5. Hon. Eric Musembi
6. Hon. Geoffrey Kamulu
7. Hon. Joshua Nzuki Muli
8. Hon. Constance Nzioki
9. Hon. Moffat Maitha
10. Hon. Nicholas Mutuku
11. Hon. Paul Nyanzi
12. Hon. Rozina Kanini
13. Hon. Tariq Mulatya

Background Information

Mr. Speaker, in April this year, a motion was tabled in this House by Hon. Cosmus Masesi that requested the House to approve establishment of a coffee mill in Matungulu East Ward. The motion was vigorously debated and committed to the Committee on agriculture to investigate on the possibilities of that motion then report back to this House for consideration. In establishing a coffee mill in a certain locality, there is need to have baseline data on attributes such as farmers coffee deliveries that is amount per year, cost of machinery, legal requirements, cost of infrastructure, transport network, water resource, availability of land and coffee farmers wishes among other factors.

In April and May, this year the committee undertook several field visits in key coffee growing areas of Kangundo and Matungulu sub-counties for fact finding mission on issues related to the said motion.

Coffee Miller Registration and License

Mr. Speaker, Section 23(1) of Coffee Act Chapter 333 of 2012 states that 'no person shall conduct the business of a commercial coffee miller unless he or she is registered as a commercial coffee miller by the Board and no such business shall be conducted at any premises other than those specified in the register.'

Section 17(1)(a) of the same Act states that 'no person shall buy, sell, mill, warehouse, export or otherwise deal in or transact any business in coffee unless he is a holder of a current licence issued by the Board for that purpose.'

Section 18(b) provides that Licences under section 17 shall be of the following kinds-

- (a) A coffee dealer's licence, authorizing the holder to:
 - (i) Buy or deal in clean coffee produced in Kenya or to import clean coffee from outside Kenya, and to process, in Kenya for local sale or export, coffee of any country of origin.

- (ii) Deal in roasting, blending and packaging coffee for local sale or export.
- (b) A coffee miller's licence authorizing the holder to conduct the business of milling.
- (c) A marketing agent's licence, authorizing the holder to conduct the business of marketing coffee and auctioneering.
- (d) A warehouseman's licence, authorizing the holder to conduct.

Section 19(1) of the Act provides that the Board shall not issue a licence under this Act unless—

- (a) It is of the opinion that the applicant is a fit and proper person to hold such license and is not indebted to any coffee farmers' organization.
- (b) It is satisfied that the applicant has sufficient knowledge, experience and capacity to enable him conduct the business or that he has employed as staff of the business a person with such knowledge, experience and capacity.
- (4) There shall be payable for the issue of licences such fees as the Board, after consultation with the Minister, may prescribe.
- (5) The Board shall, at least thirty days before granting a licence under this Act, give notice of the proposed grant in the Gazette and in such other manner as the Board may determine.

Challenges Facing Coffee Sector in Kenya

Mr. Speaker, Dr. Willy Bett, the Cabinet Secretary for Ministry of Agriculture, livestock and fisheries during the handing over of cheque for bulk farm input to Kipkelion Farmers' Cooperative Union on 26th February, 2016 stated that coffee which in the early 1980s used to be gold for Kenya, is currently facing challenges. These challenges which are both at production and marketing levels of the coffee value chain are the reasons that have led to a significant drop in production and earnings and they include;

- High cost of inputs.
- Climate change effects.
- Poor corporate governance at grower institutions.
- Declining soil fertility leading to low productivity per unit area.
- Decline in land-under-coffee farming.
- Low value addition of Kenyan Coffee.
- Fluctuating global coffee prices.
- Low domestic consumption of Kenyan Coffee.
- Inadequate coffee marketing information dissemination.
- Low grower (producers) - market interaction.
- Ageing coffee farming community.

Coffee Deliveries from Factories in 2017

KANGUNDO SUB COUNTY Name of society	Number of factories	Total registered members	Deliveries in (Kgs)	Payment per kg in (KSH)
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1. Kitwii FCS Ltd	4 factories	5,174		
	I. Kitwii		69,082	22.00
	II. Miu		14,674	20.00
	III. Syisyani		11,742	20.00
	IV. Kyaana		21,136	22.00
2. Muisuni FCS Ltd	3 factories	3,063		
	I. Muisuni		155,644	36.00
	II. Mavindu		99,696	42.80
	III. Kwamangu		108,603.5	35.60
3. Kilalani FCS Ltd	2 factories	3,044		
	I. Kilalani		272,077	35.00
	II. Matetani		365,253	35.00
4. Mbilini FCS Ltd	4 factories	4,232		
	I. Mbilini		16,571	12.00
	II. Kikambuani		95,393	33.00
	III. Ukangautune		14,638	7.00
	IV. Unyuani		41,949	28.00
5. Kawethei FCS Ltd	4 factories	2,781		
	I. Kitongi		191,233	28.20
	II. Kikalu		74,344	27.90
6. Kakuyuni FCS Ltd	5 factories	4,745		
	I. Kakuyuni		41,792 kgs	30.38 ksh.
	II. Ngumuti		609,660	28.87
	III. Kwakithama		66,824.5	25.18
	IV. Muusuni		35,197.5	34.30
	V. Kwakitothyia		46,998	41.94

MATUNGULU SUB COUNTY

Name of society	Number of factories	Total registered members	Deliveries in (kgs)	Payment per kg in (KSH)
1.Kambusu FCS Ltd	2 factories	2,423		
	I. Katwaanyaa		243,700	55.00
	II. Kaukisyaa		563,575	55.00
2. Kingoti FCS Ltd	2 factories	3,154		
	I. Kalala		126,452	30.00
	II. Kakulutuni		70,515	38.00
3. Sengani FCS Ltd	2 factories	2,651		
	I. Kyawaa		21,644.05	30.80
	II. Kithaayoni		8,634.05	30.80
4. Kyaume FCS Ltd	2 factories	3,097		
	I. Kyamole		259,241	36.00
	II. Katine		82,431	39.75
5.Mwatate FCS Ltd	2 factories	2,075		
	I. Katuluni		259,241	36.00
	II. Uamani		82,431	39.75
6. Kwamatingi FCS Ltd	Estate	3,516 members	122,122 kgs	No payment (went to depts.)
TOTAL Ksh.				

MACHAKOS SUB COUNTY

Name of society	Number of factories	Total registered members	Deliveries in (Kgs)	Payment per Kg in (KSH)
1. Kasinga Fcs Ltd	1 factory	1,279	541,329.90	34.00
2. Mung'ala Fcs Ltd	1 factory	782	80,500	30.00
3. Tendelyani Fcs Ltd	1 factory	913	38,758.5	20.00
4. Musilili Fcs Ltd	1 factory	699	328,199	25.00
5. Misakwani Fcs Ltd	1 factory	520	241,265	22.00
6. Muputi Fcs Ltd	1 factory	54	13,531	12.00
7. Kamuthanga	1 factory	60	155,970	34.23
8. Mua	1 factory (dormant)	210	N/A	N/A

KATHIANI SUB COUNTY

Name of society	Number of factories	Total registered members	Deliveries in (kgs)	Payment per kg in (KSH)
1. Mukuyuni	1 Factory	1,180	288,493	50.00
2. Ngomano	1 Factory	918	213,000	52.00
3. Kaliluni	2 factories	1,678		
	I. Kaliluni		297,562	54.00
	II. Kusyokimau	(New)		
4. Kwa Kiinyu	1 factory		204,740	49.00

5. Muthunzuuni	1 factory		411,440	57.00
6. Ithaeni	1 factory		46,000	33.00
7. New Mitaboni	5 factories	2,806		
	Kalua		414,258	36.85
	Umanthi		129,253	30.95
	Kithima		472,170	29.20
	Mbee		234,513	50.85
	Utooni		174,517	27.65
GRANT TOTAL FROM ALL SOCIETIES			2,798,749 Kgs. =2,799 tonnes of coffee	

Mr. Speaker out of the total 2,798,749 Kgs. of coffee delivered to the various coffee factories, only 973,809 Kgs. were delivered to LECOM for milling. The rest of the coffee that is 1,824,940 Kgs. were delivered to other millers mostly from Central Kenya such as Tropical Farm Management, Sasini, Thika Coffee Millers, Kofinaf, Highlands, Sustainable Management Services (SMS) and Kenya Co-operative Coffee Millers (KCCM). The societies that delivered coffee to the above millers include Ngomano, Kaliluni, Mbilini, Kyaume, Kwa Matingi, Kamuthanga and Muka Mukuu cooperative society.

Cost of establishment of a mill

Mr. Speaker, on 8th May, 2018, the committee conducted a visit to Lower Eastern Coffee Mill (LECOM) in Machakos town, Industrial area to collect information related to cost of establishment of a coffee mill. The data provided by the Chief Executive Officer, LECOM is outlined below:

Particulars	Cost Ksh.
Plant & machinery	25,338,818.00
Loose tools	79,803.00
Building	52,035,640.00
Land	24,500,000.00
Totals	101,954,261.00

Public Participation at Kambusu Farmers' Cooperative Society

Mr. Speaker, this exercise was conducted on 30th May, 2018 at Kaukisyia coffee factory, Matungulu East ward pursuant to Article 10 of the Constitution that recognizes public participation as one of the principles of governance. The committee met the Kaukisyia Management committee and other members of the public and was informed that:

- i) The members of the public were willing to have a coffee mill established in the area.
- ii) The area is a key coffee growing area but because of the hilly nature of the place, transport is a challenge.
- iii) Matungulu Subcounty is highly populated probably because of the good climate and rich soil necessary for farming activities.
- iv) LECOM was established in Machakos Town because of political influence and so most farmers do not like its current location. They proposed that LECOM should be relocated to Tala area.
- v) Most factories opt not to deliver their coffee to LECOM because;
 - For many years they have been delivering coffee to Millers outside Machakos County before LECOM was started in 2014 and have opted to continue.
 - They claim they are indebted to those millers.
 - They claim LECOM does not give advances and in this case farmers have to wait for a whole year to get paid.
 - They claim LECOM only mills and does not market and this increases the chain of marketing hence lowering the market value.

Summary of Observations

Mr. Speaker, based on the above findings it is evident that;

1. Pursuant to Section 23(1), of Coffee Act, 2012 registration as a commercial coffee miller is a prerequisite when applying for a coffee mill license. Again, as stated in Section 19(4) of the same Act, a miller license is required. The committee was informed that the current License fee is charged at Ksh. 100,000.
2. More than half of the coffee produced in Machakos County, 1,824,940 Kgs last year 2017 was sold to millers outside the County because of better marketing terms offered by those millers. This means chances of convincing most farmers to mill their coffee within Machakos with the current situation is very minimal unless the County Government of Machakos addresses the financial crisis facing coffee farmers.
3. LECOM, which is the only coffee mill in Machakos County, is underutilized since it doesn't have financial muscle to compete with other millers in terms of giving advances to farmers.
4. Establishing a coffee mill is a very expensive venture which requires over Ksh. 100,000,000 and this will mean the cooperative societies concerned will have to take a bank loan or alternatively be funded by the County Government of Machakos.
5. In the current arrangement, matters of Cooperative Societies fall under the Department of Tourism, Culture, Sports and Cooperative Development. The program-based budget for 2018/2019 for this department totalled Ksh.

- 21,660,660 out of which Ksh. 14,090,785 was allocated as compensation for employees, Ksh. 3,924,275 for use of goods and service and Ksh. 3,645,600 for capital expenditure hence no funds were allocated for cooperative development.
6. The appointment of the management of LECOM was done politically and so farmers felt they are not represented.
 7. From the previous agreement, LECOM was to be constructed to Mua area where cooperative societies had bought land.

Recommendations

Mr. Speaker, based on the above observations the committee recommends as follows:

1. The committee found it uneconomical to establish a new coffee mill in Matungulu East Ward as proposed in the motion owing to the high costs of establishment and also due to reluctance of coffee farmers to deliver coffee to the already existing mill that is LECOM. The committee therefore recommended for public participation to encourage farmers to support their local industries by delivering their coffee to LECOM.
2. THAT all the coffee cooperative societies affiliated to LECOM should elect their own representatives to the Board of Management of LECOM. This is because some members of Machakos Cooperative Union are also Board members of LECOM and this is likely going to lead to conflict of interest.
3. THAT the Machakos Cooperative Union and LECOM, both should be managed as separate entities whereby each should have its own Board of Management. This will reduce the fear which most farmers have on LECOM and will improve coffee deliveries in LECOM in due course.
4. THAT the County Government of Machakos should get a licensed marketer for coffee. LECOM is only licensed to mill coffee after which it negotiates to get a marketer, who after marketing based on prices, offered at the world market determine the rate at which different cooperative societies will pay its farmers.
5. The County Government of Machakos should negotiate with companies like FarmChem to get subsidized farm inputs for farmers. This will reduce cost of production and improve the welfare of coffee farmers.
6. THAT the County Government of Machakos should push for waiver of debts in coffee societies. The President of Kenya, in 2016, gave Ksh. 2.6 billion to relief debts in the coffee sector but unfortunately this was only implemented in Central Province.
7. THAT each Coffee Society should do forensic audit in order to determine debts that are justifiable then forward their reports to the County Government of Machakos for intervention.
8. THAT the County Government of Machakos should establish a revolving fund specifically for coffee societies. This will increase the liquidity of the Societies and improve their financial welfare.

Conclusion

Mr. Speaker, pursuant to the provisions of Fourth Schedule of the Constitution, the agriculture sector is a devolved function. County Governments should therefore push the National Government to have full control over the sector's marketing process by ensuring that

the National Government surrenders powers to licence marketers to them. County Governments should facilitate grading, milling, value addition and marketing to increase volumes and enhance direct sales as opposed to auction. This will enable farmers to benefit from increased direct sales of coffee at the international markets.

It is therefore my privilege and pleasure on behalf of the Committee on agriculture to table before this Hon. House the report on proposed establishment of coffee mill in Matungulu East Ward for discussion and adoption. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you.

(Question proposed)

Hon. Fredrick.

Hon. Muthoka: Thank you, Mr. Speaker. Let me take this opportunity to thank my chairman of agriculture for the good report they have done. When you mention coffee to some of us it really touches us because we were brought up and we were being paid for school fees from this coffee. If you can see new Mitaboni we are delivering over almost a half of the total coffee in Machakos County so all the recommendations they have done are good because we have some board members who have overstayed in this co-operative union and this LECOM and that is why you will see most of us like Kithima, Kalua this season they did not take their coffee to LECOM; all of went to Sasini, Thika Coffee Mills and so at the end of the day, as a county we are losing.

If we can get board members whom we trust as co-operative societies back from home, we make new boards so that we can really benefit from here because even after milling the coffee here, we can look for direct sales to Sweden, America from Machakos. So, I support these recommendations, it is a good report. Thank you.

Hon. Deputy Speaker: Thank you, Hon. Member. Hon. Judas.

Hon. Ndawa: Thank you, Mr. Speaker, Sir. Mr. Speaker, I also want to air my views on the same and say the committee has spent a lot of time and resources to come up with this report. I am not opposing the report totally but I have some reservations, Mr. Speaker. Mr. Speaker, I have worked in the coffee sector; since 2004 I was a director of one of the coffee farmers company known as Kyanzave Farmers Company limited and served as a board member from 2004 up to 2010.

Mr. Speaker, I want to inform the House that if coffee can be managed well, it is a very viable activity that this County should rely on because when we were in that firm, we used to market our coffee internationally. Mr. Speaker, if you look at the report which has been tabled by my MCA because I also happen to come from Kangundo Central and my society is Kilalani that is where I take my coffee and it has been mentioned here; Mr. Speaker, if you compare the prices that the society buys coffee from farmers, that is robbery with or without violence.

Ksh. 28 per kg, Ksh. 38 per kg; Mr. Speaker, to pick one kg one has to part with more than Ksh. 10 so if you are the person who went to cultivate, you sprayed and the time you wait for that coffee to be ready, our farmers are being exploited by those who buy our coffee. Mr. Speaker, why I am saying I am opposing this report is if we do not have our own milling factory it means our farmers are going to continue being exploited.

Mr. Speaker, for a county to construct a milling factory, it is not impossible; it is possible according to me because if a committee has said we only need Ksh. 100 million while comparing that with the farmers who are losing their money, we better advise the County---

Hon. Muthoka: Point of information.

Hon. Deputy Speaker: Point of information by the Hon. Fredrick.

Hon. Muthoka: Let me inform him; LECOM is a milling---

Hon. Deputy Speaker: Inform who?

Hon. Muthoka: Let me inform Hon. Ndawa; we have one here in Machakos Industrial Area but we are refusing the directors who are there; that is why we are taking our coffee to Thika and Sasini because our money is being lost there.

Hon. Ndawa: Thank you for the information. Mr. Speaker, but I want to say this according to the report the factory was set there politically; it is not me who has said so but the report has confirmed to us that the location of the factory was selected politically. If you compare the coffee planted within Machakos Sub-County and the coffee planted in Matungulu is 10 times more than Machakos.

Mr. Speaker, I am a member of Matuu but before we migrated to Matuu, our home is Kilalani and my area MCA is here. The coffee we have there, the coffee we have in Matungulu and they have not even mentioned the areas of Kyanzave Farmers Company limited, Wendano Matuu Farmers Company limited, Kwa Matingi and Kayatta. All those farms plant coffee.

If we take for instance, Kyanzave Farmers Company limited has 1,890 shareholders and the coffee we produce in that farm alone is more than what has been written in this report that particular farm. That time I was serving that farm it was being managed by the Tropical Farm Management and we were paying them commission; we could look for prices using the internet when there are auctions outside and we would market our coffee and one kg Mr. Speaker, could go for 3.4 dollars. If you compare a dollar it is more than a Ksh. 100; these societies are buying our coffee at Ksh. 28 when at the international market one kg is going for 3.4 dollars at that time and not now.

Mr. Speaker, I think we should have a milling factory in Matungulu and before the committee was established to investigate that, the area Member of County Assembly felt there was a need because there is no member who can come to this House and table a motion when there is no need. There was need and I still believe Mr. Speaker, up to now that need exists. I would request this Hon. House; if we want to save our farmers, let us ensure we have a factory in Matungulu.

The other issue that I wish to talk about, Mr. Speaker; all these coffee societies mentioned here have boards of management and the only qualification to qualify to be a board member or to be a chairman, the only qualification is to be a member of that particular society. No set standards for a board member even if you have never gone to school and you are member of that particular society, you qualify. This is the high time we should set standards so that we can have---

Hon. Deputy Speaker: Point of information from the mover of the motion.

Hon. Mitaa: Yes, I think I need to inform my elder brother here Hon. Ndawa that for you to be a board member, you must produce some certain number of kilogrammes; it is not everyone who can become a board member. So, whoever operates in those boards must be good farmers from those areas. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Continue, Hon. Ndawa.

Hon. Ndawa: Well advised Mr. Speaker, and my able MCA. That is another qualification; if you have the biggest plantation and you have never gone to school, others are producing 10 kilogrammes and you are producing 1,000, you qualify to be a board member. Will that particular person who has never gone to school project how to take the factory to the next level. Mr. Speaker, we need to come up with standards so that we can have people who can go even outside and negotiate for the prices because these old men and women we are calling board of directors or board members, do not have language of expression.

They will need, when there is a meeting and the meeting is for board members they need to be accompanied by somebody who can translate; even if they are meeting the financiers when maybe they need to borrow a loan; unless there is somebody to interpret, there will be a problem. So, Mr. Speaker, let us set standards.

The other thing that I would request this Hon. House; as businessmen and farmers because farming is also business; business is where you pump in money and you expect returns that is business even if you are a witch doctor, you are in business because you are giving services and you are getting some funds. Mr. Speaker, as businessmen we should be able to be risk takers.

We should be risk takers; if you do not want to take risk, you should not get into business because your own money will not take you anywhere. It will not be sufficient it will not be always available. There is a known Mzee Mutiso wa Kiviu who sometime told me 'Hon. Ndawa, money is never in the pocket; the only thing that you will always have and that will never miss is your beard. Even if you shave it today, tomorrow it will come up.' Mr. Speaker, let us not fear taking loans.

We have witnessed the National Government waiving loans for farmers in other counties; why not Machakos. We have nothing to be waived because we do not take loans. Let us advise our people we take loans and we become managers; once you take a loan and you become a boss, the bell will be rung at noon at your place and your properties will be auctioned.

So, Mr. Speaker, to wind up I would request if this committee can go back; I know Mr. Speaker, you might be a farmer of coffee within this area but what Hon. Ndawa is saying 'coffee in Machakos Sub-County cannot be compared to coffee in Kangundo and Matungulu.'

I am not talking about Yatta where we do not plant coffee but I am very sure there is urgent need so I would request the committee to go back, revisit their report and bring a report which is acceptable to this House. On my side, I cannot accept this because this is contributing what we call in English backwardness. Backwardness, Mr. Speaker, means you have father was growing and harvesting 10 kilogrammes, that is your grandfather, your father was also harvesting the same number of kilogrammes; you are also harvesting the same 10 kilogrammes and your son is also going to harvest the same. Let us think of moving forward and we forget about backwardness. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Hon. Constance.

Hon. (Ms.) C. Nzioki: Thank you, Mr. Speaker. This gooseneck stick is short. Thank you, Mr. Speaker. I am a member of this committee and it is worrying for some of us Hon. Members who are living in the past. I am a member of this committee and I can remember how far we have gone; this information was collected by all the members from the areas we visited the same with the prices.

Nobody inflated prices, nobody came up with a report himself so I want to tell Hon. Ndawa kindly, stop living in the past; we are not talking about dollars today we are talking about Kenya shillings---

Hon. Deputy Speaker: Please allow the Hon. Member to finalize.

Hon. (Ms.) C. Nzioki: Please, let me finish, you will still stand. So, Hon. Ndawa, we are living in Kenya, in Kenyan Shillings and we are living with times. We are moving with times; what the African man can afford is not what a *mzungu* could afford by then. I remember my father had to sell one *levu* full of *kahawa* to take me to school---

Hon. Deputy Speaker: Would you by any chance meaning bench?

Hon. (Ms.) C. Nzioki: Yes, Mr. Speaker. It had not come to my mind the name but it is bench where we cultivate.

Hon. Deputy Speaker: Yes, thank you.

Hon. (Ms.) C. Nzioki: So it is quite important to know even the coffee is a cash crop; whether you went to school or did not go to school and you have a coffee farm, you are rich and you are able to educate your children. So, Mr. Speaker, I stand to support this motion considering how far we have gone as a committee up to this day and members please let no one take us back. We are going to spend more time looking for a report which we have because we are not going to get a different report from this.

So, I would wish members consider this report motion and we move on, have the coffee mill done in Matungulu East Ward. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Hon. Alice.

Hon. (Ms.) Nzioka: Asante Bw. Spika kwa kunipa nafasi. Mheshimiwa Alice Nzioka, nimeteuliwa na chama cha Maendeleo Chap Chap. Bw. Spika, nimshukuru mwenyekiti wa kamati ya kilimo kwa ripoti nzuri ambayo ameleta. Bw. Spika, kumbuka utafiti unasema kwamba ukizunguka kahawa ya Kenya ndio kahawa namba moja. Kila mahali unasikia hata wazungu wakija huku wanasema wanataka kahawa ya Kenya.

Bw. Spika, ni jana tu Rais wetu alikuwa Kaunti ya Narok kwa maonyesho ya kilimo; kumbuka yeyote aliye angalia runinga aliona kwamba kuna mkulima mmoja aliuza ng'ombe yake ilikuwa na uzani wa kilo kama elfu moja zaidi na Rais wa Kenya akanunua huyo ng'ombe kwa bei ya Ksh. 1 milioni na pesa zingine juu. Akizungumza, alisema tuangalie ubora sio wingi.

Jamii ya kimaasai, miaka iliyopita walikuwa kama ni ufugaji anataka kuwa na ng'ombe wengi lakini walitolewa hapo wakaambiwa waangalie ubora wa ngombe lakini sio wingi.

Sisi kama Kaunti, kahawa ni mmea ama ni mazao ambayo sisi kama Kaunti tunaweza kuza kabisa. Bw. Spika, sehemu ya Kenya ya Kati, ukiteremka wamepanda majani chai, wana kahawa na ukiangalia wanapata bei nzuri sana; ni kwa nini sio sisi? Sisi tunahitaji kiwanda. Kama ukulima wa kahawa utaregelea mahali ulitoka, kitambo miaka ta tisini, ilikuwa sehemu kama Kangundo, Matungulu, ni mmea ambao wakulima walipata pesa nyingi lakini sababu nchi yetu haikufadhili wakulima ambao wako Kangundo, Matungulu basi wakaona haina haja maana hawapati pesa.

Mimi nina maoni kwamba, sisi wakulima na hasa, walioko sehemu za Matungulu, Kangundo na Machakos nzima ambapo kuna kahawa, tufanye bidii ili kulima kahawa na pia tuna wizara katika Kaunti yetu, wizara ya kilimo iangalie kabisa ju ya wakulima wanaolima kahawa maana tukilima kahawa na tukipewa, unaangalia sehemu nyingi sana wanapewa mikopo. Kwa nini wanapewa na sisi pia tunataka kupewa maana tuna kahawa ambayo ni bora, ambayo tunaweza kuza.

Bw. Spika, angalia bonde la ufa; bonde la ufa umesikia waheshimiwa ambao wako katika Bunge Kuu, wanaongea sana juu ya mahindi maana ndio mmea ambao wanakuza. Sisi pia, kahawa iwe wimbo wetu. Waheshimiwa ambao wamechaguliwa katika Bunge Kuu na sisi pia tuweke mkazo na kuhimiza wakulima walime kahawa maana sisi pia tuko Kenya, wakulima wetu wako Kenya; kama wakulima kutoka bonde la ufa wanapata ufadhili ama wanapata mikopo. Wengine kutoka Kenya ya Kati, wanapata mikopo, wanapata ufadhili, kwa nini sio sisi? Nafikiria siasa za mwaka elfu mbili na mbili, nakumbuka wakulima ambao walikuwa Kenya ya Kati, walipata, Mkoa wa Kati, waliachiwa ile mikopo ambayo walikuwa wamepewa wakaambiwa kwamba hawatalipa.

Sisi pia kama wananchi, waheshimiwa Kaunti ya Machakos tuhimize ukuzaji wa mmea wa kahawa maana pia wengi ambao wanakuza kahawa wanaitumia kama mazao ambayo watauza ili wainue maisha yao. Kwa hivyo mimi naunga mkono kusema kwamba zao la kahawa lifanyiwe bidii wapate ufadhili, kama ni kiwanda kijengwe; iwe, Bw. Spika, bei ya kahawa imeharibiwa sio eti bei iko chini.

Lakini mkulima anaye nunua, katikati kuna kibaraka ambao wanatengeneza pesa zake mwenyewe na hivyo bei ya mkulima kufikia mkulima, pesa zinateremka. Kwa hivyo mimi naunga mkono; nashukuru hiyo kamati kwa kazi nzuri. Asante.

Hon. Deputy Speaker: Hon. Cosmos.

Hon. Masesi: Thank you, Mr. Speaker. Mr. Speaker, this afternoon I am very much disappointed by this kind of report bearing in mind that Mr. Speaker, we should not encourage monopoly of business. Whereby the report has clearly shown us that in Central Kenya we have got around eight milling companies, Mr. Speaker, the committee is too unfair to tell us even we cannot do two millers in a full county.

Mr. Speaker, again the committee is telling us Ksh. 100 million in a budget of Ksh. 4 billion is a lot of money. This is unbelievable, Mr. Speaker. Mr. Speaker, again when you look at the mathematics, the committee did a lot of thorough search but when you look at the figures, total ground of the kilos, which is a total lie.

These kilos, Mr. Speaker, are more than two million. They are giving us 2,798,749 kilogrammes. Mr. Speaker, I want to tell you these are more than six million kilogrammes, if I

am not wrong. Let someone do the calculations Mr. Speaker. Mr. Speaker, Kambusu farmer's society alone is giving us 700,000 kilogrammes which is Katwanyaa and Kaukiswa and if you look at the report Mr. Speaker, in fact Kambusu Factory was ranked the second best in Kenya and we have also paid the highest amount, Ksh. 55 per kilogrammes.

Mr. Speaker, the issue of demand and supply, it is the factories who should seek the raw materials. The report is very clear Mr. Speaker; Kangundo, Matungulu and Kathiani are the core farmers of coffee. Mr. Speaker, in Tala we have the government land which can be used for this kind of factory. Mr. Speaker, again other counties are growing in terms of doing factories.

This second assembly has never passed a resolution to do a factory, Mr. Speaker. Mr. Speaker, I was the one who brought the motion to this Assembly and I knew and I had run across the two sub-counties and I am very sure we need a miller within the locality. Mr. Speaker, it will be too unfair when the residents are yelling for a factory and yet they are being told to take their produce to Lecom.

Mr. Speaker, I am doubting if the committee was in the business of marketing Lecom when they were doing the research. We have seen and the report clearly says that there is a lot of mismanagement. Lecom alone Mr. Speaker, has a debt of around Ksh. 50 million. I doubting if doing a miller is a Ksh. 100 million and they already have a debt of Ksh. 50 million, Mr. Speaker. If they cannot win the trust of the current farmers whereby the report says that, only 973,000 kilogrammes were brought to Lecom.

This shows there is a lot of mismanagement and it very clearly shows that there is no openness and transparency in the running of the company. Mr. Speaker, I do not know whether the seconder or the motion knew if the report was saying that they do not see a need of the factory in Matungulu but she has clearly said, and the HANSARD is there, let there be a factory in Matungulu.

Mr. Speaker, I do not know, my duty as I was being elected to this Assembly was to represent the views of my people and I am a very strong believer that this miller will be of a great help to my people. Mr. Speaker, if you look at the transport, all the way from Matungulu, Kangundo to Machakos. Mr. Speaker, a lot of cost is there. So, I still appeal to this House, to look if anything can be done Mr. Speaker, I appeal to the committee to see the need of a factory miller within Matungulu. Thank you.

Hon. Deputy Speaker: Hon. Nyawira.

Hon. (Ms.) Nyawira: Thank you, Mr. Speaker. Mine is to add just one point; the difference between here and Central Kenya is one. Farmers are educated through local radio and every morning, it is called Inooro FM so every farmer is awake at around 6 in the morning and this is through even websites. Farmers were called maybe by phone, some visit the radio station and they educate other farmers and they tell them how they cultivate, what they do, and that is why there is a big difference between here and Central Kenya. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Members. Hon. Mwikali, because we have two motions to go.

Hon. (Ms.) Mwikali: Thank you, Mr. Speaker. Mr. Speaker, owing that the fact that this report has already been discussed at length and very seriously, I would like to congratulate the committee on agriculture for a wonderful report. Mr. Speaker, Sir, I am a girl born and brought

up in Kangundo, a place where coffee in 1970s was worshiped because if you did not have coffee plants, you amounted to nothing.

This is because coffee was the only cash crop in Ukambani where we would actually see the fruits our labor. Coffee production became so important and so good for our education section. Every sector depended on this coffee. Mr. Speaker, those old tiring gentlemen, our grandfathers and our grandmothers scored much during that time. It is very pathetic and humiliating to listen to a Hon. Member here in this House saying that they are tired, too tired to manage their own sweat and too tired to be in the board of management.

Though we think and talk and walk education and good education at that, I would like to inform one member here that education, formal education may not be everything when it comes to agriculture. When the committee now says that board members should be people who produce, it is because they know when you produce a lot of this coffee, then you own the whole product and when you hold something so seriously, then you take care of it.

Therefore, I really agree 100 percent with the committee that when we look at the education part of it, then we look at the commitment and the possessing of this old man. Therefore, as Hon. Ndawa walks out, I would like him to understand this is the person to make a board member in that factory.

Finally, Mr. Speaker, according to the Fourth Schedule of the Constitution of Kenya, agriculture and as per the committee's recommendations is a devolved function. Therefore it would be prudent that this devolved function is actually led to the county government to be able to process their own coffee and even license our farmers so that they will be able to register their own coffee and even look for market outside and sell our coffee at a profit.

Thank you, Mr. Speaker. I really applaud my committee although I am not a member of the committee but I would like to be a member next time Mr. Speaker because this is a very wonderful and proper committee report about coffee. Thank you, Mr. Speaker.

Hon. Deputy Speaker: May I call upon the mover of the motion to respond.

Hon. Mitaa: Thank you, Mr. Speaker. I also wish to thank Hon. Members; they have deliberated on the issue conclusively. I am sorry to my colleague Hon. Masesi, I know he is the brain behind the motion and one thing I would like to state is that we are beyond our wards now when we reach this House; we work for Machakos and we sit as a county. In fact, I am from same locality as him but we have to look for what is good for our people and what we can manage. Indeed, the history of Lecom and I am sorry, agriculture committee is not marketing Lecom.

Lecom belongs to Machakos farmers, they bought shares and it is a 100 percent owned by these farmers; as much as in between there was politics. That is why we have come up with recommendations that now the farmers are allowed to have representatives in running Lecom. In fact, what we are trying to say is we dismiss the current management of Lecom, let our farmers freely do elections on the ground. Let them now send those members to Machakos to run Lecom, because already Lecom is in operation and it is underutilized.

On the price, I would not say Lecom determines the price. There are so many matrices in coffee market. Today, a sack of coffee, the price might vary from tomorrow. Again, there is the issue of quality and also zones; they determine the quality of the coffee which reaches the market. You find some areas farmers have done inter-cropping so the quality of coffee that comes from that area cannot fetch a higher price because it is of a lower grade.

So, I believe the committee, we did a lot, we walked all over the zones where there is coffee farming and we have come out with the best recommendation we could give. I request the House to adopt the report as it is and if there is, as the recommendations are there, we see now how do we improve on the quality of coffee, how do we push our county government to look for market, how do we push for the county government to get a license for our farmers because I believe if we can do it in unity, we can fetch a lot of money out of this thing and also marketing can be easy.

But when we allow our farmers to go to these locale private millers, we somehow mislead or we let them lose a lot of money and there is so much input in coffee farming, Mr. Speaker. With that, I wish the House will adopt the report as it is, and I in one heart beg my brother not to become.....with the report that the coffee mill not to be established in Matungulu but let us make what we have better. Let us improve it. I think we will be able to reap more. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Moses.

(Question put and agreed to)

(Applause)

Hon. Members, let me comment something before I call the next motion. Most of you don't know before I became an MCA, I was a chairman of a coffee factory and I have also been a director of LECOM, the company which processes coffee here. I did not want to participate in it because I am in the Chair but now that you have made your decision; I think the recommendations which have been made by the committee are pin-point. The committee has done what I would have done if I was in that committee.

(Applause)

Why I am saying this because you realize that most of the coffee which we have in Machakos compared to Central Kenya is not even an eighth of what is produced in Central Kenya. But we have coffee milling firms which are there are about five. Ours is just an eight and the facility which they have at LECOM has the same capacity as the one we have in SASINI. So if all the coffee in Machakos was being processed in Sasini alone and the capacity of the factory in Sasini is the same as our factory here and you add another one in Matungulu, are you going to be having economies of scale? You won't.

Your production cot would even go higher. The issues of marketing and Hon. Members, those of us who were there when we went to visit the Deputy President, among my submissions was Machakos LECOM to get a coffee marketing license; I even brought it up at that level because the biggest problem we have, even if Matungulu gets a coffee milling factory and you cannot market, you will be doing nothing.

The important thing here is for us to be able to get our coffee, mill it with the factories we have and market the coffee because once you market the coffee, then you have hold of the entire process. Right now we only have hold of one part of the process and even that one we don't have; the reason why I don't know why, maybe the Hon. Members did not have that information

with them I come from a coffee growing area, the reason why LECOM cannot be able to give members advances is because they don't market.

If you are not marketing, how can I advance you money yet I am not going to be the one going to market the product for you. The biggest bottleneck we have is marketing license and management. There is a gentleman there called Katingima who has been there since time immemorial; managing both Machakos cooperative society and LECOM. These are the people we need to get rid of and make sure LECOM is managed and the only way to do it if I may inform the chair and his committee is that the trick which Katingima does is; if you go to LECOM, you will find its membership is of all cooperative societies but remember this is a coffee milling facility.

The only membership of that facility should be the coffee producing factories. But what he has done, he has brought everyone on board cooperative societies from sand harvesting, honey production, hides and skins and when it comes to voting, those are the ones who vote for him to remain there.

There is need to change that composition of who should be able to vote at LECOM and at Machakos Cooperative society and then you will be able to change the picture. I am agreeing with the report; as per Matungulu, once this is done and we see how it works, if we see it is still not enough then there is always room for the committee to go back and revisit the issue and see whether we can be able to establish another factory there once we have agreed on this. Thank you, Hon. Members.

I call upon Hon. Ndambuki to continue.

COUNTY BUDGET REVIEW AND OUTLOOK PAPER, 2018

Hon. Ndambuki: Thank you, Hon. Speaker.

Hon. Speaker, that aware that Section 118 of the Public Finance Management Act, 2012 states that a County Treasury shall prepare 'a County Budget Review and Outlook Paper in respect of the County for each financial year; and submit the paper to the County Executive Committee by the 30th September of that year;

Aware that in preparing its County Budget Review and Outlook Paper, the County Treasury shall specify the details of the actual fiscal performance in the previous year compared to the budget appropriation for that year; how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the County Fiscal Strategy Paper for that financial year; and reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so:

Aware that not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall arrange for the Paper to be laid before the County Assembly and as soon as practicable after having done so, publish and publicize the Paper;

Noting that the 2018 CBROP was submitted to the Assembly on 19th October 2018 aiming to provide a review of the fiscal performance for 2017/2018 and how the outcomes impacted the county's financial objective and fiscal responsibility principles as stipulated in the PFM act 2012;

Hon. Speaker, I beg to move a motion that this House discusses and approves the report of the Budget and Appropriation Committee on the County Budget Review and Outlook Paper, 2018.

I call upon Hon. Margaret Mwikali to second.

Hon. Deputy Speaker: Hon. Mwikali.

Hon. (Ms.) Mwikali: Thank you, Mr. Speaker. I second.

Hon. Deputy Speaker: Thank you, Hon. Mwikali. Hon. Ndambuki.

Hon. Ndambuki: Thank you, Hon. Speaker. I am going to read the report of the Budget and Appropriations Committee on the County Budget Review and Outlook Paper 2018.

OVERVIEW

The County Budget Review and Outlook Paper is a forward and backward looking document that provides a platform for sound budget planning for the county. It is a mandatory and key document in linking policy, planning and budgeting. It derives its authority from Section 118 of the Public Finance Management Act, 2012.

The 2018 CBROP was submitted to the assembly on 19th October 2018. It aims to provide a review of the fiscal performance for 2017/2018 and how the outcomes impacted on the county's financial objective and fiscal responsibility principles as stipulated in the PFM act 2012.

MANDATE OF THE COMMITTEE

Hon. Speaker, the Budget and Appropriations Committee derives its mandate from standing Order 185(3) (a) that states that 'there shall be a select Committee to be known as the County Budget and Appropriations Committee which is mandated to, investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget.'

Hon. Speaker, The main objective of the committee is to ensure that public funds are well utilized and that the public realizes value for money in all Government expenditure. The basis of the Committee's execution of its mandate is annual and on special reports.

COMMITTEE MEMBERSHIP

Hon. Speaker, the committee as constituted by this Assembly comprises of the following members.

1.	Hon. Dominic Ndambuki	Chairman
2.	Hon. Thomas Mutinda	V/ Chair person
3.	Hon. Paul Museku	Member
4.	Hon. Margaret Mwikali	“
5.	Hon. Angela Munyasya	“
6.	Hon. Ikusya Kaloki	“
7.	Hon. Jacqueline Nziva	“
8.	Hon. Moffat Maitha	“
9.	Hon. Daniel Mbevi	“

LEGAL FRAMEWORK

Hon. Speaker, Section 118 of the Public Finance Management Act, 2012 states that:

- (1) A County Treasury shall—
 - (a) Prepare ‘a County Budget Review and Outlook Paper in respect of the county for each financial year; and
 - (b) Submit the Paper to the County Executive Committee by the 30th September of that year.
- (2) In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify—
 - (a) The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - (b) The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
 - (c) Information on—
 - (i) Any changes in the forecasts compared with the County Fiscal Strategy Paper;
 - (ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles or the financial objectives in the County Fiscal Strategy Paper for that financial year; and
 - (d) Reasons for any deviation from the financial objectives in the County Fiscal Strategy Paper together with proposals to address the deviation and the time estimated for doing so.
- (3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days after its submission.
- (4) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—
 - (a) Arrange for the Paper to be laid before the County Assembly; and
 - (b) As soon as practicable after having done so, publish and publicize the Paper.

Hon. Deputy Speaker: Wait a minute, you saying you don't have the report. How many Members don't have the report? Hon. Dominic, you may have to wait a bit; I understand that the Clerk Assistant has gone for the reports, they brought the wrong report. Lets give him a few minutes. Do we now have the reports? You may continue, Hon. Member.

Hon. Ndambuki: Thank you, Hon. Speaker. We were on page four;

*ANALYSIS OF THE 2018 CBROP**Fiscal Out-Turn for 2017/2018*

Hon. Speaker, the County received Ksh. 9.43 Billion from the Exchequer against the expected Ksh. 10.078 Billion revenue projected in the annual budget. The County received Ksh. 8.272 Billion from the National Government against the expected revenue

of Ksh. 8.432 Billion. The local revenue raised amounted to Ksh. 1.084 Billion against the expected Ksh. 1.571 Billion.

The total expenditure was Ksh. 8.119 Billion comprising of recurrent expenditure amounting to Ksh. 6.523 Billion and development expenditure amounting to Ksh. 1.596 Billion. On recurrent expenditure, compensation to employees formed the larger part of the expenditure accounting for 57 per cent of the total County expenditure.

There was a decline in total expenditure from Ksh. 8.958 Billion in 2016/2017 to Ksh. 8.119 Billion in 2017/2018

RECENT ECONOMIC DEVELOPMENTS AND FISCAL OUTLOOK

Recent Economic Developments

Hon. Speaker, as reported in the CBROP, the transport sector in the county has improved significantly. Efforts have been put in place to boost the agricultural sector. There has been development in urban centers facilitated by Kenya Urban Support Program. Investments in the county's urban centers have inspired growth in the industrial and trade sectors

Global economic outlook

The global economy is expected to grow to 3.9 per cent as per the April 2018 World Economic Outlook Report.

Sub-Saharan Africa economic outlook

Hon. Speaker, the recovery of sub-Saharan Africa is set to continue and its growth is expected to rise from 2.8 per cent in 2017 to 3.4 per cent this year. The African Continental Free Trade Area is an ambitious initiative to form a continental common market to boost intra-Africa trade from the current 16 per cent to 52 per cent by 2022.

East African community economic outlook

Price movements

Inflation rate was at 13.1 per cent in 2016, 14.4 per cent in 2017 although the region's inflation is expected to fall to 8.9 per cent in 2018 and 7.8 per cent in 2019. The Kenyan shilling remained stable against the dollar at Ksh. 100-104/\$ in 2017 while the domestic resource gap in 2017 stood at about 11 per cent.

The cost of debt in the region is high, countries are borrowing through the international bond market and shifted from external financing to non-traditional partners particularly China.

Domestic Economy Outlook

Hon. Speaker, the economy remained in sound shape at the beginning of the third quarter of 2017/2018. Solid growth is expected this year due to healthy expansions in private consumption and investment because of favorable credit conditions. The agricultural sector will be boosted by expected favorable weather conditions.

On the downside, the debt to GDP ratio has continued to grow over the past 3 years, at 56 per cent currently from 52 per cent in 2015-2016 and 45 per cent in 2010-2014. This adds to the county's potential to repay the loans.

County's Economic outlook

With the launch of the Big Four Agenda by the National Government, the county has aligned its operations and activities to achieve such targets as follows:

1. Food security – with favorable weather patterns plus county initiatives, food security has been improved.
2. Manufacturing – Existence of EPZ and manufacturing industries has created jobs.
3. Affordable housing – Mavoko was selected for the affordable housing flagship program.
4. Universal Healthcare – 1.3 million county residents are set to benefit from the program whose registration is currently in progress.

MEDIUM TERM FISCAL FRAMEWORK

Hon. Speaker, the County Government has prepared the CIDP 2018-2022 that will guide planning and budgeting for the next five years. The County budgets will be funded by:

1. Equitable share from the National Government.
2. Conditional grants which include:
 - i. Kenya Devolution Support Program.
 - ii. Kenya Urban Support Program.
 - iii. Leasing of Medical Equipment.
 - iv. Universal Health Care by World Bank.
 - v. Level V hospital allocations.
 - vi. Compensation for User Fees Foregone.
 - vii. Road Maintenance Fuel Levy.
 - viii. Rehabilitation of Village Polytechnics.
 - ix. Kenya Climate Smart Agriculture Project.
3. County Own Revenue Collection.

RISKS TO THE OUTLOOK

Hon. Speaker, the County faces the following challenges which will affect its outlook in future:

1. Low revenue inflow which leads to reduced funding of the annual budget. The County has 26 revenue streams but only five contribute significantly in revenue collection. These are building plans, quarries, land rates, bus parks and single business permits.
2. Delays in disbursements that lead to delays and disruptions in implementing the County programmes.
3. Public expenditure pressures especially on recurrent expenditures which pose fiscal risks to the future economic performance of the county. For instance, some non-discretionary expenditure such as KRA penalties when funds are delayed are mandatory payments though not included in the annual budget. Other expenditures like wages for health workers are negotiated by trade unions in the middle of the year when the budget process is complete.
4. Erratic weather patterns which affect agricultural productivity leading to poor economic performance and depressed livelihood.

REVIEW OF FY 2018/2019 BUDGET

Hon. Speaker, the County Assembly approved a budget of Ksh. 12.23 billion comprising of Ksh. 7.63 billion recurrent expenditure and Ksh. 4.60 billion development expenditure. The 2018/2019 budget is to be funded from a revenue of Ksh. 12.23 billion of which Ksh. 1.72 billion is expected from own source revenue collection and Ksh. 10.51 billion from the National Government.

ADJUSTMENT TO 2018/2019 BUDGET

Hon. Speaker, the CBROP highlights risks to 2018/2019 budget which include:

- a. Lack of realization of the projected local revenue.
- b. Expenditure pressures.

The Committee notes that:

- a. Any adjustments to 2018/2019 budget will take into account actual performance of expenditure so far and absorption capacity.
- b. Any review of salaries and benefits will be guided by the salaries and remuneration commission.

Hon. Speaker, the County treasury is expected to institute corrective measures to curb revenue leakages.

MEDIUM TERM EXPENDITURE FRAMEWORK

This subsection explains adjustment that will be made to the budget over the immediate and the following two years; Hon. Speaker, the allocation of resources in the medium term will be based on:

1. PFM Act, 2012 principles.
2. Ongoing projects.
3. Emerging priorities.
4. CIDP/ADP.
5. Cost effectiveness and sustainability.
6. Budget ceilings.
7. Equitable share of revenue from the National Government.
8. Sensitivity of the programs to the county.
9. Vision 2030 blue print.
10. The Big Four Agenda.

Hon. Speaker, the targeted areas include:

1. Improvement of infrastructure.
2. Access to clean water.
3. Access to quality healthcare services.
4. Sustainable environment conservation.
5. Revenue management and enhancement.
6. Creating a conducive business environment.
7. Promoting sustainable agriculture.
8. Improving education.

COMMITTEE OBSERVATIONS

Hon. Speaker, the committee observed the following:

1. The county budgets will be partially funded by conditional grants from development partners. The Committee noted that on Kenya Devolution Support

Programme which is one of such grants, the County must satisfy conditions in key result areas namely; public finance management, planning, monitoring and evaluation, human resource and performance management, civic education and public participation, investment implementation and; social and environmental performance.

The Committee further observed that the following conditional grants had been omitted in 2018/19 budget and therefore needs to be incorporated in supplementary budget:

- a. Kenya Devolution Support Program.
 - b. Kenya Climate Smart Agriculture Project.
2. That budget implementation had challenges such as low revenue inflow, delay in disbursements, erratic weather patterns and public expenditure pressures especially on recurrent such as wages.
 3. The personnel emoluments accounted for 57 per cent of the total expenditure against regulation 25(1)(b) of the PFM Regulations which provide for 35 per cent of the County total revenue.
 4. The Committee noted that there was an increase in revenue collected in the following streams:
 - a. Single Business permit from Ksh. 170.9 million to 182.8 million in 2017/18.
 - b. Fire-fighting and ambulance management unit from Ksh. 13.8 million to Ksh. 15.4 million in the 2017/18.
 - c. Signboard and advertising from Ksh. 34.9 million to Ksh. 35.8 million.
 - d. Motor vehicle registration from Ksh. 56,919 to Ksh. 109,623.
 5. There was a general decline in total local revenue collection by Ksh. 175,100,098 which needs to be addressed by the County.
 6. The committee noted that some revenue streams did not realize any income in 2017/18; for instance weights and measures as well as the procurement unit.
 7. The department of trade has not procured certificates for issuance to businesses that require them as proof of compliance such as petrol stations. As a result of this, the county is losing revenue from these businesses, a good example being petrol stations.
 8. It was further noted that revenues that are related to construction industry were declining despite many construction activities taking place. The revenue streams include:
 - a. Quarries from Ksh. 289.9 million in 2016/17 to Ksh. 229.7 million in 2017/18.
 - b. Sand and gravel, from Ksh. 59.3 million in FY 2016/17 to Ksh. 47.1 million in 2017/18
 - c. Building plan approvals, from Ksh. 199.97 million in 2016/17 to Ksh. 182.94 million in 2017/18
 9. The revenue generated from market fees reduced from Ksh. 44.3 million in 2016/17 to Ksh. 6.7 million despite huge investments in construction of new market sheds and stalls.
 10. It was further observed that there was a decline in revenue generated from bus park and off street parking bays from Ksh 79.1 million in the 2016/17 to Ksh. 43.2 million in 2017/18 despite increase in the number of vehicles patronizing Machakos County.

11. The Committee noted that revenue collected from House rent had also declined from Ksh. 39.2 million in 2016/17 to Ksh. 4.9 million in 2018/19.
12. Other revenue streams with a decline in revenue collection are;
 - a. Slaughter Houses from Ksh. 5.53 million in 2016/17 to Ksh. 5.51 million in 2017/18. The Committee notes that the County has many slaughter houses and therefore revenue should be increasing.
 - b. Enforcement unit from Ksh. 6.55 million to Ksh. 4.41 million.
 - c. Cess from Ksh. 6.93 million to Ksh. 6.23 million.
 - d. Social services and sports management unit from Ksh. 2.1 million to Ksh. 22,000. The Committee notes that there have been various sporting activities such as premier leagues, the KICOSCA games, friendly matches hence the revenue collected should be increasing.
 - e. Water sales from Ksh. 391,410 to Ksh. 157,327.
 - f. Miscellaneous from Ksh. 6.87 to Ksh. 1.24
 - g. Liquor from 49.3 million to 35.8 million.
 - h. Tourism from Ksh. 1.5 million to Ksh. 89,000.
 - i. Health income from Ksh. 91 million to Ksh. 73 million.

COMMITTEE RECOMMENDATIONS

Hon. Speaker, the Committee recommends as follows:

1. That the County Government should ensure that the requirements of the key result areas for Kenya Devolution Support Program (KDSP) are met including favorable audit opinions by KENAO.
2. That the measures taken to enhance revenue collection in the streams that improved should be cascaded to the other revenue streams that declined in revenue collection in 2018/19
3. The County Government should comply with the Law on personnel emoluments limit of at most 35 per cent of the total revenue.
4. The County Government should have an organizational structure showing the optimal staffing requirements to avoid engaging more labour force than what is required.
5. The County Assembly approved a motion on ban of sand harvesting in the County. The County needs to come up with strategies of rising more than Ksh. 45 million deficit which will be created by abolishing sand income collection as a result of banning sand harvesting in Machakos.
6. The department of trade procures certificates for issuance to businesses that require them as proof of compliance such as petrol stations to avoid loss of revenue.
7. The County Government should comply with Section 107 of the PFM Act which provides the principle of public finance management so as to attract more funds in form of conditional grants. This calls for the County to stick to the budget calendar as stipulated and avoid submitting documents beyond the set timelines.
8. The Executive should adhere to Section 118(4) of the PFM Act, which provides that not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall—
 - (a) Arrange for the Paper to be laid before the County Assembly; and

(b) As soon as practicable after having done so, publish and publicize the Paper.

CONCLUSION

Hon. Speaker, in comparing the 2017/2018 budget with the previous period 2016/17, it is notable that absorption rates in the development vote declined. The County own source revenue also declined by 14 per cent. It is expected that the county will achieve its revenue targets for 2018/2019.

The County shall embark on preparation of the sectoral departmental strategic plans which shall compliment the ADP and CIDP.

Finally, there is need for the county to undertake impact evaluation in order to assess if higher rate of project implementation translates to realization of county goals and objectives.

ACKNOWLEDGEMENT

Hon. Speaker, the Budget and Appropriations Committee is grateful to the Office of the Speaker and that of the Clerk to the County Assembly for facilitating the committee to undertake its mandate. I wish to express my appreciation to the Hon. Members of the Committee who sacrificed their time to participate in the meetings and in preparation of this report.

It is therefore my privilege, on behalf of the Budget and Appropriations Committee to table the report on County Budget Review and Outlook Paper, in this Hon. House for consideration and adoption. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Member.

(Question proposed)

Hon. Moses.

Hon. Mitaa: Thank you, Hon. Speaker. I would want to thank the budget and appropriations Committee for the good job they have done. I was actually privileged to have been invited by the Committee and I participated on what they have done so I feel part of the Committee report. Hon. Speaker, this document is very important for the running of our County, so essential such that it has timeframes and I am happy that the Committee undertook the time as much as they also received the report very late and they have done their bit.

Yes we have seen our short comings and areas where we need to improve; henceforth Hon. Speaker, I believe that now we have some Chief Officers in office, we will engage them optimally and see where there are shortcoming on how we can improve but first after beating the deadline because it can really bring our services in our county government of Machakos down. So, Mr. Speaker, I accept and I support the report. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon Moses. Hon. Kisini.

Hon. Kisini: Thank you Mr. Speaker, for giving me time to also give my views on this report. I want to highly commend the budget and appropriations Committee for bringing this report more specially for pointing out the declines. We have seen as compared to 2016/2017 and 2017/2018 there was much decline in almost all the sectors and they have really pointed for us.

In most instances, there are even very less collections which means the county government is losing money. I think we have to come up with recommendations to see to it that the county government or Executive collects all the revenues due to it so that it can also deliver to its obligations. I want to say that the report is good, the report points to everything and I support it as it is. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Kisini. Hon. Cosmus.

Hon. Masesi: Thank you, Mr. Speaker. I want first to appreciate the efforts made by the Budget Committee; they have singled out very key issues where we need to back our efforts by making sure that we beat the targets in our local revenue. Again, they have told us in the recommendations that we need the organizational structures which should show the optimal staffing requirement to avoid this issue of ballooning wage bill every now and then and also the Committee again has clearly indicated that we banned the issue of sand harvesting in the county; the public is not aware if we banned this sand harvesting.

Mr. Speaker, again I am happy you made it very clear the Clerks assistants to make sure that this issue is very much known by the public to avoid the issue of burning the lorries. Otherwise, Mr. Speaker the report is very well-thought, very well-researched and I want to believe that learning is a process always learning and with time Mr. Speaker the very key issues is that we should always stick to the Budgets which is passed by this Assembly. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon Cosmus. Hon. King'ori.

Hon. King'ori: Thank you, Mr. Speaker. I also want to commend a good job done by the Budget Committee although the report is very clear and very accurate but I want also to challenge the Executive to see to it that when we are losing revenue, maybe through misappropriation, they should seal those loopholes like the quarries; we should be adding money because every day like in my ward, even the destruction which is there is because of the inability of the county government to make good roads so that we can have more lorries or more people coming to our areas to collect ballast, sand, tarmacs because everything is there.

Even the one we use for making cement is found in my ward yet the roads there are pathetic and they are scaring investors in our area. So, they should also emphasize or put a Budget for tarmacking those roads which are leading to the quarries so that we can add value to what we get. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you. Hon. Peter Mutiso.

Hon. P.J. Mutiso: Thank you, Mr. Speaker. First of all, I want to thank the budget Committee because of this report they have come up with. Mine is just to say that the report is good, the observations are very clear as they have observed and also the recommendation. Mr. Speaker, even a blind man can tell that our people are not serious, the Executive because Mr. Speaker we can see many buildings in this county coming up and I wonder if we collect less money this time that 2016. They are not serious, Mr. Speaker.

So, it means that in planning we must be serious; this Hon. House must be serious on this and we have to look into what is happening in the ground because there are so many cartels. This

is not serious; it seems that there are some people who are pocketing our money and this county will not do far. So, Mr. Speaker, I support the motion and say that we have to look into many sectors as we have given Governor Alfred Mutua the CEC members so he cannot complain now that he doesn't have Chief Officers. So, my complaint is that there are so many cartels in this county as we can see in the report. So, Mr. Speaker, I support the motion. Thank you.

Hon. Deputy Speaker: Hon. Cosmas Kieti.

Hon. Kieti: Thank you, Mr. Speaker. I want to thank the Committee for the good work that they did and I want to go straight to page 10 where we have streams on revenue collection that have shown decline. Hon. Speaker, it is very surprising that as we address issues of economic development, we are witnessing cases of revenue that has not been collected and I believe it is not a matter of collecting, it is revenue that has been collected but has landed in the wrong accounts.

So, mine Mr. Speaker is to say that the Executive needs to wake up and look for these avenues where we are losing these revenues like on page 10 where we have (d) about the sports; our stadium just collecting just Ksh. 22,000, even that is just for one event and every Sunday that stadium is busy and we have so many activities taking place there and I believe money is paid.

So, the Executive needs to wake up and look into these avenues where we have leakages because any economy is affected by leakages and withdrawals that are unnecessary and which cannot be accounted for and therefore if these leakages are allowed in future then we will not be able to meet the need of our Budget and Mr. Speaker I want to say that as a House as we continue addressing the issues of the budget, is very important that you address the issue about the CIDP because we cannot go on budgeting the CIDP is still in our drawer.

We need to bring that document so that we pass it so that as we address issues about the budget, then we address it in line with what we have passed in the CIDP. Thank you, Mr. Speaker.

Hon. (Ms.) Mueni: Thank you, Mr. Speaker. Mine is to say that the Committee has done its work but the problem is the money is collected in Machakos but it goes to the wrong pockets not the right place where it is supposed to. So, Mr. Speaker, I think the best thing is that we have to know the accounts which are being sent those money so that we can balance; we can get the statements from the bank because sometimes maybe they are sent to peoples accounts for those who eat the money when they are collected and we say that Machakos is not having money.

If you go outside there, you will see people having the yellow dust coats collecting money from every vehicle which parks; they go running but where the money goes, we do not know. In the quarries, the money is collected and somebody goes there with a car and gets the money with a *gunia*. So, Mr. Speaker, I think we have to be very careful about the people who collect our money and say.....they have bought very big cars and if you calculate about their salaries they cannot buy because everybody who is in accounts as brought his brother or her sister to the place where they collect the money. You might not understand what I am saying but I have told you. Thank you, Mr. Speaker.

(Laughter)

Hon. Deputy Speaker: Thank you, Hon. Mueni. I understand very well and I think Hon. Members also do understand and tanks for your contribution. Hon. Jeremiah Munguti.

Hon. Munguti: Thank you, Mr. Speaker. I want to applaud the Committee which has done this commendable job and first I would like to highlight the issue of the Big Four Agenda which has been categorically mentioned in our county and I want to understand that as we speak right away, the county government is now registering the universal health care which is ongoing and it is my humble pleasure to say that so far, the registration is doing well and to our people it is going to improve the health of our people.

Also, I would like to commend on the issue of the decline of revenue collection; it beats logic to find that in any county which wants to grow economically there are declines in revenue collection and therefore mine is to urge the Executive to ensure that they have sealed all the loopholes because there is no way when monies are being collected.

So, mine is to support the report and say that we as an Assembly we must raise above the bar so that we ensure that our Committee on implementation follows to the letter to know how the Executive are implementing the monies that are being collected within our sources of revenue. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Jeremiah. May I call upon the mover of the motion to respond?

Hon. Ndambuki: Thank you, Hon Speaker. I wish to thank Hon. Members who have contributed immensely to this motion. Hon. Speaker, the report that budget and appropriations Committee has prepared clearly shows the state of the county; our county that is Machakos County. Hon. Speaker, if the pilferage of local revenue that has been debated on the report is controlled, we will be talking something different.

It is my prayer that the Executive will take into account the recommendations that have been put across by the Budget and Appropriations Committee and make a turn around and it is also my prayer that Hon. Members support our report. Thank you, Hon Speaker.

Hon. Deputy Speaker: Thank you, Hon. Dominic.

(Question put and agreed to)

One comment I would like to make; you have heard the Hon. Chair, in the report has mentioned one very key aspect of increasing debt to GDP ratio. An increase in debt to GDP ratio tells you that the country is getting to a point where at normal circumstances we are not supposed to borrow more than 50 per cent of your GDP. So, the debt to GDP ratio is now going above 50 per cent and that tells you that the things which you remember those of us who were in the Moi era most of you who were there it used to be called Structural Adjustment Programs. You remember things which were introduced which were called SAPs; those are going to come in and when they come in the cost of credit and the cost of financing is going to be very expensive.

The more reason therefore that the little money which has been borrowed in this increasing debt ratio, first and foremost all the monies which are being brought in the county for development purposes must be prudently utilized for the projects meant for them because those

funds are being sourced from a very expensive source which you have heard, they even talked about movement towards bond financing *vis-a-vis* bank financing, you know about the Eurobond story and all those.

Those are very expensive forms of borrowing, so the government is borrowing that expensively for the money to come and be misused and not put in the projects which are supposed to be put for development; then that tells you a question of where we might be heading. In contrast to that, the funds we are supposed to be collecting locally, we are not collecting and remember local revenue is debt-free, so we are not collecting funds which are debt free here to utilize for a project and instead we are using funds which are debt financed for your projects.

I hope you understand the picture. So, local revenue collection has to be 100 per cent of 100 per cent because that is free money, that is money which you are getting which does not have cost of capital and we need to ensure as a county we forward on that. Hon. Cosmus Masesi.

PROCEDURAL MOTION

ADJOURNMENT FOR LONG RECESS FROM 5TH DECEMBER, 2018 TO 12TH
FEBRUARY, 2019

Hon. Masesi: Thank you, Mr. Speaker. I am holding brief for Hon. Mark Muendo, the Majority Leader.

Hon. Speaker, that aware that Standing Order 24(1) provides that except for the session commencing immediately after a General Election, the regular sessions of the Assembly shall commence on the second Tuesday of February and terminate on the first Thursday of December; Aware that this Second Session of the Second Assembly began on February 13th, 2018;

Noting that crucial business has been transacted during this second session including approving budget of the County for the Financial year 2018/2019, facilitating public participation on various legislative proposals, vetting and approval of officers of the County Government;

Acknowledging that the House approved an Assembly Calendar pursuant to Standing Order 25(1) and aware that the Calendar of the Assembly guides the House on when to have a break and when to resume sittings;

Aware that the approved Assembly Calendar indicates that the Assembly will go on long recess from 6th December 2018 to 11th February 2018;

Aware that the recess will afford members time to interact with their electorates and relax over the December festive season;

Further aware that Standing Order 25(3) provides that on a day when the Assembly is scheduled to adjourn to a day other than the next normal sitting day in accordance with the Assembly Calendar, the Leader of the Majority Party or the Leader of the Minority Party or another member of the House Business Committee shall move a Motion of adjournment which shall be debated for not more than three hours after which the Assembly shall adjourn without question put;

Hon. Speaker, I beg to move the motion that this Hon. House adjourns its sittings as per the Calendar of the Assembly from today, 5th December 2018 and resume on Tuesday, 12th February, 2019.

Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Cosmus. I would like you to get somebody to second you on the motion please.

Hon. Masesi: Thank you, Mr. Speaker. I wish to call upon Hon. Moses Mitaa to second the motion.

Hon. Deputy Speaker: Thank you. Hon. Moses.

Hon. Mitaa: Thank you, Hon. Speaker. I stand to second the motion by colleague from Matungulu East ward, Hon. Cosmus Ngula. Hon. Speaker, work without rest is not fruitful and as it has been indicated here, since February, we have been at work, serving our people and it is the right time now if we can get a rest as we mix it also with work; we are actually changing our offices now because vacation means we will be more on the grounds.

So, we need to mingle with our electorates; they are our bosses and they also need us and its good also we update them on what we have achieved for that year and again we also mingle with them and see what we need to bring forth in the coming year because before we report we need to know the need of our areas. So, Hon. Speaker, I totally support the motion by Hon. Cosmus Ngula. Thank you.

Hon. Deputy Speaker: Thank you, Hon. Moses. This is a procedural motion again for adjournment and I will allow members if there is any member who has anything they need to say on the motion because remember it Is no question which is going to be put on it. So, I will just allow members to comment on it before I move ahead and adjourn the House. Hon. Dominic.

Hon. Ndambuki: Thank you, Hon Speaker. As the motion clearly states, we have been here for one whole year; it is time we go back to our people, mingle with them and also enjoy the festivities that come with this season and also it is good time for the Hon. Members to be with their families. Hon. Speaker, most of the times we are here at the Assembly doing our legislative role and the other time that we have is serving our people back at our wards.

I believe that the little time that we are having then we will spend it preciously with our families. Thank you, Hon. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Dominic. Hon. Jeremiah.

Hon. Munguti: Thank you, Mr. Speaker. Mine is to say this; one year has gone when we were in this Assembly, we have approved very important motions, very important reports have come and it is time we go with our people and also have good time with our families and ensure that we also look upon our area where we have been elected. Mr. Speaker, mine is to request Hon. Members of this House as they go out for the long recess, it is time for the festive seasons that we are expecting during the December holidays that I may request them as they go home that they may go and do something which is productive.

I am planning to go and plant trees to all the primary schools I have within Muthetheni ward, which is going to bring the tree cover in my area and also developing the area and bringing the environment to the correct status. Mr. Speaker, I also request the members as they go out also to see to it that they develop their areas and also intermingle with the so that they can advise them on how we have been doing in the Assembly and also teach them more about the CIDP, the

ADP and the plans the Assembly has put forward for the Executive to implement. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you, Hon. Member, Hon Mueni.

Hon. (Ms) Mueni: Thank you, Mr. Speaker. Mine is to ask the member to go to their places and know the people have started asking their seats because now you will know whether you will come back or not but not to be sitting here or having a House in Machakos and not knowing your place the way it is going.

You have to go and see the person who is asking for your seat so that when you come back, you put efforts or you give the people civic education of how the Assembly is or you tell that person, 'don't think that you will do better than me.' So, just go and tell your people the Assembly is not a joking place; it is a place where you come and be confused. Thank you, Mr. Speaker.

(Laughter)

Hon. Deputy Speaker: Thank you. Hon. Kisini.

Hon. Kisini: Thank you, Mr. Speaker. I also stand here to support this procedural motion and say there is time for everything; it is our time nor to go and rest. I want to take this opportunity and wish each and every member a Merry Christmas and a Happy New Year and then I also ask Mr. Speaker, through your able office, I thought it was wise maybe before we close, we should have had one outing to enjoy ourselves---

Hon. Deputy Speaker: Hon. Member, stick to the business of the House.

Hon. Kisini: I want to wish each and every member success in this resting time until we meet again and ask for God's mercies so that we meet again on February, 11th 2019 when we are in good health and thank you Mr. Speaker.

Hon. Deputy Speaker: Thank you. Hon. Rozina.

Hon. (Ms.) Kanini: Thank you, Mr. Speaker. I want to wish every Hon. Member a good festivity with his/her family and also wish to remind Hon. Members not to forget to help the poor. At least, make sure you help one old Mama or Mzee in the village that is giving back to the community. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you. Hon. Francis.

Hon. Kalumu: Thank you, Mr. Speaker. I would like first of all to appreciate each and every one of members and staff from this Assembly for being so active for this year. It is good now we are going for a rest until we come back in February next year. From now up to that time, there is answer will be to have to answer; a question of the audit, because we will be asked so many questions concerning how we spend the whole year and the achievement in terms of what we are giving to the people of Machakos.

It will be very hard for us because Mr. Speaker when we came to this House we were coming to make things happen down there where we are going back but up to now things are almost the same way they were; it will be very hectic for us and so I wish each and every one of you and everybody a Merry Christmas and a happy new year. Thank you

Hon. Deputy Speaker: Hon. Johana.

Hon. Munyao: Thank you, Mr. Speaker. Mine is again also to wish Hon. Members Merry Christmas and prosperous New Year 2019 and also invite you officially on 22nd of this month, I will be hosting some three children's home to give back to the community so in case you want to chip in you are most welcome. Thank you.

Hon. Deputy Speaker: Hon. King'ori.

Hon. King'ori: Thank you, Mr. Speaker. I want to wish you well and the people you represent also because we need them also and also want to inform you don't go and sleep; just go and do the other work for making sure that you see every project you have passed have been implemented so that if you are asked what you have done, you show by action by saying this project we have proposed either they have been done or not. So we have to do the oversight work during the holiday season. Thank you, Mr. Speaker.

Hon. Deputy Speaker: Thank you so much. Allow me now to first and foremost give my appreciation also for the entire House, members and members of the staff for the past one year; this far we have come, it has not been easy, we have gone through many hurdles together and we have worked together in this Assembly as a team. I would like to thank both sides of the House, the majority side and the minority side for the cooperation which has been shown throughout the year and hope that in the next coming session, we are going to continue having the same cooperation of serving the people who elected us, who brought us to this House.

Our main aim is to serve the electorates. Personally, I would like to say I have seen each one of you put their very best foot forward during this past session and I would like to thank you all. I also like to wish you a Merry Christmas and a prosperous new year 2019. One member has said Christmas time is normally family time so go and enjoy with your families, relax with your families, you have been away from them for quite some time so have the best you can with your families, intermingle with you electorate and God-willing we should be able to come back here again refreshed up when the third session starts.

One communication I would like to make is that we are only going for recess; it is a long recess yes but we are going for recess up to the first week of January when Committees will resume as usual. So, we shall have Committee sittings from 7th January up to the time when we resume fully the plenary in February. Any other program which might come up within the course of the long recess will be communicated to each individual member through the normal communication channels.

ADJOURNMENT

Hon. Deputy Speaker: So, Hon. Members, thank you so much may God bless you all and enjoy your December. This House is therefore adjourned to Tuesday, the 12th day February 2019 at 10 a.m.

The House rose at 5.03 p.m.