

# THARAKA NITHI COUNTY ASSEMBLY

## THE HANSARD

8<sup>th</sup> June 2021

*The County Assembly met at the  
County Assembly chambers in Kathwana at 9.30 a.m.  
[The Speaker (Hon. D.J. Mbaya) in the Chair]*

### PRAYERS

**Hon. Speaker:** Honourable members let's get seated. Next Order.

### COMMUNICATION FROM THE CHAIR

#### END OF RECESS

**Hon. Speaker:** Honourable members, it is my pleasure to welcome you back from the Short recess. Despite the challenges posed by the ongoing COVID-19 pandemic, it is my sincere hope that you all had a pleasant recess.

Honourable Members, as we resume sittings, let us all be aware that there is business still pending before the House and I urge the respective Chairs to expedite it.

It is my sincere hope that the same zeal and dedication you have shown in handling business before the Assembly will be exhibited as we seek to fully exercise the County Assembly role of oversight, representation and legislation.

#### COVID-19 GUIDELINES

**Hon. Speaker:** Honourable Members, as you are aware the Covid-19 pandemic is still with us and it is the duty of every Citizen to comply with and follow the guidelines and measures issued by the National Government as it puts measures to protect the lives of its citizens.

In my previous communications I issued guidelines to be observed by the members of the County Assembly and staff during the Covid-19 pandemic Period that still remain in force until further guidelines are issued.

In light of the above, I urge the honourable members to transact business remotely where possible.

Honourable Members, I urge you and members of staff to continue observing the Ministry of Health guidelines on social distancing, usage of masks and other hygiene measures since we are in unprecedented times, and have to be ready to conduct ourselves in new ways.

Honourable members, I wish you all the best as you continue to fulfil your mandate.

I thank you. Next Order.

PRONOUNCEMENT OF THARAKA NITHI COUNTY BUDGET HIGHLIGHTS  
AND REVENUE RAISING MEASURES

## COMMUNICATION FROM THE CHAIR

ADMISSION OF THE CECM FOR FINANCE AND ECONOMIC PLANNING TO THE CHAMBER

**Hon. Speaker:** Honourable Members, as you may recall, on 4<sup>th</sup> May 2021 the Tharaka Nithi County Assembly and County Executive Budget Estimates for the Financial year 2021/2022 were laid on the table of the House and committed to the Committee on Finance, Budget and Appropriation and Sectoral Committees as provided for under Assembly Standing Order 243.

Honourable Members, the Public Finance Management Act, 2012 Section 132 provides that each year the County Executive Committee Member responsible for Finance shall make pronouncement of the revenue raising measures for the County Government in the County Assembly.

Further, Section 132(2) of the Public Finance Management Act, 2012 provides that on the same date that the revenue raising measures are pronounced, the County Executive Committee Member responsible for Finance shall 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.

Honourable Members, this is therefore to inform you that pursuant to Tharaka Nithi County Assembly Standing Order 36(a), I shall admit the County Executive Committee Member responsible for Finance and the assisting Officer in the Chamber after the conclusion

of today's House Business.

I also direct the County Executive Committee Member responsible for Finance to make pronouncement of the Budget revenue raising measures for the County Government together with a policy statement expounding on those measures as contemplated under Section 132(2) of the Public Finance Management Act, 2012.

Further, I direct that the County Executive Committee Member responsible for Finance during the pronouncement of the Budget revenue raising measures shall be heard in silence and no question and comment shall follow.

The House is accordingly guided.

I thank you.

*[The CECM Member for Finance and Economic Planning  
(Ms. Dorothy I.K. Naivasha) was ushered into the chamber]*

## **THE BUDGET STATEMENT**

### **PRONOUNCEMENT OF BUDGET HIGHLIGHTS AND REVENUE RAISING MEASURES FOR FINANCIAL YEAR 2020/2021**

#### **The CECM for Finance and Economic Planning (Ms. Dorothy I.K. Naivasha):**

Honourable Speaker of the County Assembly; honourable members of the County Assembly; invited guests; ladies and gentlemen, good morning.

Mr. Speaker and honourable members, it is my honour and privilege to present the Financial Year 2021/2022 Budget Statement to this honourable House. I take this opportunity to deliver a message of good will and greetings from H.E the Governor, honourable Muthomi Njuki and the entire County Executive.

The budget has been prepared amidst hard economic times with the COVID-19 third wave at its peak and fears of a fourth wave in the coming months. The pandemic continues to upstage our lives forcing us to adapt and innovate to survive the adverse effects on our economy.

Kenya's economy has been hit hard by COVID-19, severely affecting incomes and jobs. The 22<sup>nd</sup> edition of the Kenya Economic Update, Navigating the Pandemic, reported that the

pandemic and measures to mitigate the spread of the virus created multiple challenges for Kenya's private sector, with severe consequences for household jobs and incomes. The economy has been exposed through the dampening effects on domestic activity of the containment measures and behavioural responses, and through trade and travel disruption.

The Gross Domestic Product (GDP) contracted by 0.4 percent in the first half of 2020 compared to growth of 5.4 percent in the similar period of 2019. This reflects a worse-than-anticipated GDP outturn in April to June of 2020 mainly due to a sharp reduction of services sector output due to the pandemic. The effects continue to ravage the economy, despite the projected annual growth of 5.1% in 2021.

The Kenya National Bureau of Statistics (KNBS) projects that the economy will contract further by 1.5 percent in a more adverse scenario. This revision essentially adopts the adverse scenario outlined in the April 2020 update, reflecting the more severe impact of the pandemic to date than had been initially anticipated. The KNBS study found that the pandemic increased poverty by 4 percentage points (which means we have an additional 2 million poor people) through serious impacts on livelihoods, by sharp decreases in incomes and employment.

Just like in other counties, the unemployment rate of Tharaka Nithi county increased sharply. Nationally, according to the KNBS, the unemployment rate in the country doubled to 10.4 percent in the second quarter of 2020. Consequently, this has adversely affected household incomes with many households losing more than half of what they used to earn prior to the pandemic. Almost 1 in 3 household-run businesses are not currently operating.

Mr. Speaker, under the leadership of our Governor H.E Muthomi Njuki, we have devised a Fiscal Framework that extends support to the economy and public health services in the short-term, while ensuring the sustainability of our public finances in the medium term. This is our first reason for hope in overcoming the COVID-19 challenges. The kick-off of the mass vaccination campaign has given us optimism and we encourage our citizens to get immunized and we shall work closely with the Ministry of Health to ensure timely delivery of vaccines.

In response to the crisis, the county government deployed fiscal policies to support the healthcare system, protect the most vulnerable households and the economy's productive potential. The County Government of Tharaka Nithi also distributed relief food to vulnerable

households and supplied certified seeds to cushion our farmers and ensure food security. In conjunction with the national government, the county government has undertaken vaccination of the most vulnerable members of our citizenry. Though the County Emergency and Response Committee chaired by H.E the Governor, training of health workers and strengthening prevention, surveillance and public sensitization has also been done.

Mr. Speaker, the county government continues to ensure commitment to prosperity of the county through the implementation of programmes that are geared towards uplifting the living standards of its citizens. We are committed to promoting a bottom-up development approach as captured in the objectives of our development framework. This Budget Statement is going to put forth the broad policy goals and strategies that will be implemented towards meeting our development vision.

Mr. Speaker, as a government we are determined to ensure coherence in the planning, budget formulation and implementation stages in the project cycles. The Budget proposals for 2021-2022 rest on five pillars. These are; enhancing access to quality and affordable health services, transform agriculture for improved production and productivity, improving our road network, providing safe and clean water, and creating a conducive business environment for our people in all sectors. This is in tandem with the County Socio-economic Re-Engineering Strategy which was approved by this honourable House.

Fiscal Framework for the FY 2021/2022 Budget;

Mr. Speaker, the budget estimates for FY 2021/2022 and Medium Term Expenditure Framework (MTEF) period have been prepared in accordance with the provisions of the Constitution of Kenya and the Public Finance Management (PFM) Act, 2012. In the financial year 2021/2022, the County Government projects total revenue as KES 5.51 billion. This comprises of KES 4.21 billion from the Equitable Share Allocation, KES 945.88 million as conditional grants from National Government and own-source revenue (OSR) of KES 350 million.

The recurrent expenditure will be KES 3.5 billion representing 64 percent of total budget while development expenditure will be KES 1.98 billion which is 36 percent of the total budget. This is in line with our fiscal responsibility principles as outlined in our County Fiscal Strategy Paper of 2021 and the Public Finance Management Act of 2012 that requires that a minimum 30 per cent is allocation for development investments in the medium term.

Mr. Speaker, allow me to highlight key strategies and priorities featured in the FY 2021/2022 budget.

In the department of Agriculture, Livestock, Fisheries and Cooperatives,

Mr. Speaker, the agriculture sector continues to play a vital role in our County's economic growth. Strengthening and improving the productivity of this sector and enabling the engagement of the citizens in this process is a prerequisite and a necessary condition for creating employment opportunities and alleviating poverty. Overall, the County has experienced favourable weather that has enhanced productivity of the sector. Nevertheless, high cost of production due to high costs of inputs, inefficient marketing systems, post-harvest losses, and the recent locust invasion has been the major challenge threatening the County's food security.

Mr. Speaker, I have allocated a total of KES 715.8 million to the agriculture sector with KES 571.4 million being for Agriculture and Cooperatives development while KES 144.4 million is for Livestock, Veterinary and Fisheries Development. Out of the total allocation, KES 502.1 million and KES 213.7 million has been set aside for capital and recurrent expenditure, respectively.

The sector's policy direction of transforming agriculture for increased production, demands for increased resource allocation. Specifically, KES 371.5 million has been allocated towards the Kenya Climate Smart Agriculture Programme (KCSAP) which is a joint initiative between the National Government, Tharaka Nithi County Government and the World Bank.

Further, KES 18.7 million has been allocated to the Agriculture Sector Development Support Programme (ASDSP) covering the Banana, Indigenous Chicken and Dairy Cows Value Chains, while KES 35 million has been allocated to provide farm inputs to farmers under Crop Subsidy Programme (which includes green grams ,maize and beans) whereas KES 17.8 million has been allocated to support the Coffee and Tea sub-sectors through the Revitalization Programme and KES 8 million for operationalization of the County Agricultural Training Institute (ATI).

I have also allocated KES 17 million towards the Aquaculture Development and Support Programme, KES 8 million towards infrastructural support for Livestock Produce Value Chains and another KES 8 million to support the Artificial Insemination (AI) and Breeding

Programme which is intended to improve livestock production and breed quality in the county. To date, we have inseminated over 15,000 cattle since inception of this program. Costs to farmers have also been subsidized substantially, with farmers now paying KES 4000 for sexed semen down from KES 7000. Farmers are also paying KES 400 for ordinary semen down from KES 1500.

We urge our farmers to take advantage of this program to improve their breeds and productivity. Farmers can also register in the Tharaka Nithi Farmers platform through our USSD \*452# to get more information on other county products, services, and any other relevant information.

Health Services;

Mr. Speaker, our vision for healthcare in Tharaka Nithi is to provide accessible and affordable services to our citizens. The County Government remains committed to delivering services to all, through improving existing and new health facilities and continuing to provide essential commodities. I have allocated KES. 1.6 billion for recurrent expenditure and KES 320 million for development expenses under Medical Services and Public Health and Sanitation.

Progressively, improving services and improving infrastructure over the past four years has strengthened the county government's response to health crises and emergencies, including the COVID-19 pandemic. In the foregoing, I have allocated KES 149.9 million for expansion and upgrading of Marimanti, Magutuni and Chuka Level IV Hospitals to improve access to referral and specialized health services. In addition, I have allocated KES 19.6 million to improve infrastructure in various health centres and dispensaries across the county. This will enhance primary health care and improve health outcomes, service quality and coverage in all parts of the county.

Mr. Speaker, KES 1.2 billion is proposed for general administration, planning and support services while KES 96 million has been set aside for curative and rehabilitative services. Preventive and promotive health services will require KES 330 million during FY 2021/22. The allocations proposed in the health sector will address human resource management, health promotion and disease control, monitoring and evaluation, disease surveillance, among other major priorities in the county.

Education, Youth Affairs, Culture, Sports and Tourism;

Mr. Speaker, the Education sector has been allocated a grand total of KES. 363.2 million, of which KES. 278.2 million will go towards Education and Vocational training while KES. 85 million is allocated to Youth, Sports, Culture and Tourism. The County Government continues to prioritize Early Childhood Development; through construction of ECDE centres, provision of learning materials and training of caregivers. To support the sub-sector, I have allocated KES 31 million for the construction and completion of ECDE centres across the county.

Mr. Speaker, the County Government will continue investing in technical and vocational skills by revamping Vocational Training for our citizen. Towards this, I have allocated a total of KES. 44.8 million which will be utilized for this function. Additionally, the County Government will provide a total of KES. 30 million to the bursary and scholarship programme. Going forward, the County government will continue to prioritize the education sector and allocate resources to enhance access to basic and higher education, skills development and training, teacher recruitment, and infrastructure development as well as construction and equipping of technical institutions.

Mr. Speaker, one of the most pressing challenge is lack of jobs for the youth and to cushion our youth and people living with disabilities (PWD), I have allocated KES. 28.2 million and KES. 56.8 million being development budget and recurrent budget respectively for the Youth, Sports, Culture and Tourism sub-sectors. The County Youth Empowerment programme has a provision of KES. 17 million for entrepreneurship support and promotion of innovations for our youth.

Mr. Speaker, the County Government will continue to support cultural and sporting activities, and the wellness of vulnerable members of the society. Towards this, the County government has allocated KES. 11 million for culture, sports, and social service development programmes.

Roads, Public Works, Energy, Housing, and ICT;

Mr. Speaker, an efficient and reliable road network is paramount in supporting the economic activities in all other sectors. Our rural road network is an enabler in the agriculture value chains especially in delivering commodities to the markets. Exploiting the agricultural



potential of our county requires that movement of people and commodities across and between regions be as seamless as possible. The sector has been allocated a grand total of KES. 482 million being KES 376 million and KES 106 million as development and recurrent expenditures respectively.

Mr. Speaker, our county is blessed with ridges and hills which have been key in defining administrative settlements and social cultural set ups. Mr. speaker, we thus need roads, bridges and drifts that will help shorten distances across these settlements and achieve seamless connectivity to ensure proper linkages and easy access to basic services. I have, therefore, allocated KES 109 million for opening feeder roads, grading, gravelling, and construction of culverts and bridges across the county.

Mr. Speaker, the County Government will continue to employ a mixed model in implementing road projects whereby major works involving county trunk roads and major access roads will be contracted while routine maintenance, opening and expansion of feeder roads and other minor civil works are carried out using county-own machinery.

Mr. Speaker, key to note is that the Roads Maintenance Fuel Levy (RMFL) conditional grant has been discontinued by the National Government to all county governments beginning FY 2021-2022. The county government has hence adjusted its medium-term target for the sector and therefore I have made a provision of KES 109 million to address the gap.

Mr. Speaker, the county government has been focusing on transforming major trunk and town roads to bitumen standards. As such, KES 158 million has been allocated for ongoing upgrading of these roads.

Mr. Speaker, connectivity to power improves the quality of life for our people and is key to opening the county to development. I have allocated KES 35 million to the Department of Energy and Housing for reticulation of power targeting unconnected villages, health facilities, trading centres and ECDE centres.

Water and Irrigation;

Mr. Speaker, our county faces challenges in providing sustainable access to safe water and sanitation services due to the high capital outlay. We have therefore prioritized investments in water infrastructure for domestic and irrigation purposes. To this end, the sector has been

allocated KES 162.4 million with KES 52.2 million being for recurrent operations while KES 110.2 million is for development activities. These resources will be used for completing ongoing community water projects, irrigation projects and sustaining the harnessing of ground water.

Physical Planning, Lands and Urban Development;

Mr. Speaker, our urban centres and markets play a crucial role in the social economic architecture of our county; thus, the county government strives to make them habitable and vibrant through provision of essential services including sanitation, waste management and adequate public spaces. The Department of Lands, Physical Planning, Urban Development, Natural Resources and Environment has been allocated a total of KES 273.4 million, comprising KES 103.4 million recurrent expenditure and KES 170 million for development expenditure.

Mr. Speaker, the Municipality of Kathwana is focusing on improving the livelihoods of the traders by creating a conducive business environment through construction of a modern market to host over 500 traders once complete. I have allocated KES 27 million, in addition to KES 50 million grants from Kenya Urban Support Program to facilitate the completion of the modern market. Additionally, KES 15 million has been allocated to construct market stalls in other market centres for small scale traders which will not only improve the working conditions of the traders who are currently on improvised structures but also boost their business incomes. Another KES 15 million has been allocated for improvement of small markets and flood light installation. Further, KES 22 million has been allocated for construction of bodaboda sheds and cabro-paving in towns.

Mr. Speaker, I have allocated KES 5 million for spatial plan development for the county. Spatial Planning is principal to any substantial development hence it needs to be embraced. The ongoing development of the county spatial plan is in partnership with University of Nairobi and will help the county define utilization of land resources in a more sustainable and predictable manner. The Chuka Town physical plan will form the first update to the existing 1988 physical plan. Therefore, the significance of these plans in identifying and developing social amenities, both for public and private use, in all markets and major towns cannot be overstated.

Mr. Speaker, we are alive to the critical role this honourable House plays in its legislative and oversight roles to entrench devolution. To ensure the house business runs smoothly, I have allocated a total of KES 473 million to the County Assembly; of which KES 50 million will go towards construction of chamber and offices at Kathwana.

Public Administration and Devolution Affairs;

Mr Speaker, human resource management is the most important aspect in the service delivery process. Investment in human capital is critical in driving inclusive economic growth. For this reason, the county government strategically invests in human capital to enhance knowledge and skills required to be competitive in the information age. In this regard, I have allocated KES 137 million to the Department of Public Service and Devolution Affairs and a further KES 23.9 million to County Public Service Board to run their roles in ensuring our human resource offers quality, effective and efficient service delivery to the residents of Tharaka Nithi County.

Revenue Performance and Raising Measures for 2021/22 FY Budget;

Revenue Performance

Mr. Speaker, allow me now to highlight the revenue raising measures proposed for FY 2021-2022.

Mr. Speaker, the county-own revenue remains an integral element of our resource envelope. As such, we are committed to continue with efforts to increase local revenue collection. We are also alive to the challenges and impacts of Covid-19 on our capacity to generate local revenue due to the depressed business environment. The County Government aims to cushion our people by ensuring a proper balance between revenue collection and livelihoods through appropriate fiscal measures.

Mr. Speaker, the recent Commission on Revenue Allocation (CRA) report on Counties Efforts Towards Revenue Mobilisation of May 2021 highlighted counties that have significantly increased revenue collections over the last three years. Tharaka Nithi was among the top five counties in growth of own-source revenue, having increased it from KES 79 million in FY 2017-2018 to KES 272 million in FY 2019-2020.

The Commission also launched the Own Sources Revenue Training Guidelines. The Guidelines present a tool for use in the training of county governments to strengthen their technical capacity on Own Sources Revenue administration to improve performance. It enhances the technical capacity of the County Government revenue staff, supervisors, management, and policymakers on the process of revenue collection, management and enhancement. In addition, the guidelines aim at improving the fiscal autonomy of County Governments through enhanced own-source revenue collection for better revenue management practices. We look forward to benefiting from this effort to enhance our local revenue capacity.

During the financial year 2019-2020, the department of revenue collected KES 272 million being 78% performance against the target of KES 350 million from a range of sources which included but not limited to business permits, licenses and market fees, this represented a 12% growth from FY 2018-2019. This can be attributed to improved measures put in place to curb revenue losses including automated revenue collection systems and improved enforcement mechanisms. The improved performance in County Own-Source Revenue collection can also be attributed to deployment of automated system, increased revenue enforcement and monitoring of revenue collection. In the FY 2020-2021 the executive targets to collect a total of KES 350 million.

#### Revenue Raising Measures;

Mr. Speaker, to attain the revenue target, the County Government shall continue to eradicate incidences of revenue pilferage, identify additional revenue streams, continue training revenue collection officers in accordance with institutional framework proposals and use innovative approaches to nurture the existing business environment. The County Treasury is also working on various statutes that will align revenue collection approaches in the county. Mr. Speaker, the County Government remains committed to delivering its promise to Ciambai the people of Tharaka Nithi.

Mr. Speaker, through the consultations with various stakeholders and with the blessings of H.E the Governor, Hon. Muthomi Njuki, I have approved the following incentives:

- i. 100% waiver on outstanding arrears on liquor licenses and single business permit as at 2020 for all businesses;

- ii. 50% waiver on 2021 licenses for the following business: bookshops, bars, restaurants and school uniform shops;
- iii. 100% waiver on trading licenses for Private Schools for the year 2021;
- iv. 100% waiver on penalties on land rates and rent.

Mr. Speaker, I take this opportunity to acknowledge and appreciate the support that this honourable House has awarded the Department of Finance and Economic Planning and the entire Executive.

As I conclude, Mr. Speaker, I now humbly seek the approval of the FY 2021/2022 Budget Estimates, The Finance Bill 2021 and The Appropriation Bill 2021 by this honourable County Assembly.

Finally, I take this opportunity to seek for the support of this honourable House once again to the next planning and budgeting cycle which begins July 2021. And as the famous saying by Henry Ford goes, “Coming Together is the Beginning. Keeping together is progress. Working together is success”.

Thank you All. God bless Tharaka Nithi County. God bless Kenya. Keep safe, wear your mask and sanitize.

*(Applause)*

**Hon. Speaker:** Thank you the CECM for finance, economic planning and trade for the pronouncement of budget highlights and revenue raising measures for the FY 2021/2022.

## **ADJOURNMENT**

**Hon. Speaker:** Honourable members, there being no other business on the Order Paper the House stands adjourned until our next sitting.

*\*\*\*The House rose at 10.10 a.m.\*\*\**