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**REPUBLIC OF KENYA**  
**MURANG'A COUNTY ASSEMBLY**  
**THE HANSARD**

Wednesday 27<sup>th</sup>, November 2024.

The Assembly met at 10.15 a.m.

*[The Temporary Speaker (Hon. Hanna Wairimu) in the Chair]*

**PRAYER**

**STATEMENT**

APPROVED BUSINESS OF THE ASSEMBLY FROM THE WEEK COMMENCING ON  
TUESDAY DECEMBER 3RD 2024 TO WEDNESDAY DECEMBER 4,2024

**Hon. Grace Nduta:** Thank you Madam Speaker. I will read the Statement of the approved Business of the Assembly from the week commencing on Tuesday December 3, 2024 to Wednesday December 4, 2024. Hon. Speaker I beg to issue the following Statement that; pursuant to Standing Order 46(2) (a), the House business and Rules Committee at its last meeting approved Business that will come before the Assembly from the week commencing on Tuesday December 3, 2024 to Wednesday December 4, 2024 as per the attached program. Thank you.

Madam Speaker, sorry I need some guidance.

**The Temporary Speaker (Hon. Grace Nduta):** Okay continue Hon. Grace.

**Hon. Grace Nduta:** Thank you Hon. Speaker. On Tuesday 3, 2024 in the morning sitting there will be a Report on consideration of the Murang'a County Annual Development Plan (ADP) financial year 2025/2026. Still in the morning sitting there will be a Report on the Annual Budget Implementation Report financial year 2023/2024 from the Controller of Budget. There will be also a Paper on Report on implementation status of the School Feeding and Uji Program for the financial 2023/2024. There will also be an adoption of Report on consideration of the Murang'a County Annual Development Plan (ADP) FY2025/2026. There will be a notice of Motion; adoption of a Report on the Annual Budget Implementation financial year 2023/2024 from the Controller of Budget. Another notice of Motion; adoption of a Report on the implementation status of the school feeding and uji program for financial 2023/2024.

Hon. Speaker, there will be another notice of Motion; approval of the Calendar of the Assembly for the Fourth Session February 11, 2025 to December 3, 2025 that will be laid by

the Leader of Majority. On Tuesday afternoon there will be a Report on the annual work plan for the Agriculture, Livestock, Veterinary Services and Fisheries department for the FY 2024/2025 that will be led by the Chair Agriculture.

There will be a Motion on adoption of a Report on the Annual Budget Implementation financial year 2023/2024 from the Controller of Budget that will be laid by the Chair Budget. There will be another Motion on adoption of Report of Implementation status of the school feeding and uji program for FY 2023/2024 that will be laid by the Chair Education.

On Wednesday December 4, 2024, morning sitting, there will be an adoption of a Report on consideration of Murang'a County Annual Development Plan (ADP) financial year 2025/2026 that will be laid by the Chairperson Finance. There will be a Motion on approval of the Calendar of the Assembly for the Fourth Session February 11, 2025 to December 3, 2025 that will be laid by the Leader of Majority. I am being notified Hon Speaker that there will be a notification of long recess from Thursday December 5, 2024 to Monday February 10, 2025.

Thank you, Hon. Speaker.

**The Temporary Speaker (Hon. Hanna Wairimu):** Next order

## STATEMENTS

### RESPONSE ON BONUS PAYMENT TO MURANG'A KTDA FARMERS

**Hon. Pauline Muchiri:** Thank you, Hon. Speaker. Hon Speaker, pursuant to Standing Order 46 (c), I beg to give a response to a statement by Hon Grace Wairimu Nduta City, MCA Kanyenyaini Ward on poor tea bonus payment to Murang'a KTDA farmers. Thank you.

So, Madam Speaker, I wish to go direct to the response. We sat down with my Committee since the Statement came to our Committee and here is the response. The first question that was presented to us by Hon. Nduta was; is the Chairperson aware that the tea farmers in a majority of the KTDA managed factories in the County have decried poor bonus payment for the 2023/2024 financial year? and our response as a Committee is that all tea factories declared better tea bonus payment as shown in the table below. The response is also in our phones through our WhatsApp and Madam Speaker I do not know if I should go through the whole table but for the sake of Hon. Wairimu Nduta City, I think I can just mention very fast. So, for the financial year 2023 at Githambo tea factory, that is in Murang'a North, the initial payment of the tea was 21 shillings per kg and the second payment was 41 shillings per kg. The total payment was 62 shillings per kg. That was 2023. If you look at 2024 the same Githambo factory, the initial payment was kshs 23 per kg of tea, the second payment was 42 shillings and the total payment comes to 65 shillings. Therefore, Hon Speaker that was actually

an increase of 5%. If you go to Kanyenya-ini tea factory, in 2023 the initial payment was 21 shillings per kg. The second payment was 37.50 per kg and therefore the total payment for 2023 was 58.50 per kg. The same Kanyenya-ini factory in 2024 the initial payment was 23 shillings, the second payment was 43.40 and therefore the total payment was 66.40. Hon Speaker that shows that there was an increase of 14% that is in Kanyenya-ini tea factory. If you go to Gatuguru tea factory, the initial payment in 2023 was 23 shillings, the second payment was 39 shillings and therefore the total payment for 2023 at Gatuguru tea factory was 60 shillings. The same in 2024 the initial payment was 23 shillings the second payment was 46.40 shillings and therefore the total payment was 69.40. Therefore, Hon Speaker that was 16% increase. If you go finally to Kiru tea factory, there was the initial payment in 2023 which was 21 shillings per kg. The second payment was 43.10 per kg. The total payment therefore was 64.10. If you go to 2024, the same Kiru tea factory, the initial payment was 23 shillings, the second payment was 44.50. Therefore, the total payment was 67.50. An increase of 5%. That covers Murang'a North. I do not know if I should go to Murang'a South? But Hon Speaker, if you look at the question that was asked that there was a poor tea bonus, for us after the investigation we have actually realised the bonus did better. There was an increase in the payments. I do not know if I should proceed Hon Speaker to question number two, or I should go through Murang'a South and read the whole table?

**The Temporary Speaker (Hon. Hanna Wairimu):** Just continue

**Hon. Pauline Muchiri:** Okay, so I continue with Murang'a South? So, for Murang'a South, Gacharage tea factory, the total payment for 2023 was 45 shillings per kilogram then in 2024 it was 62.80, therefore, Hon. Speaker, it was an increase of 39.50%. Makomboki tea factory, the total payment for 2023 was 47 shillings per kilogram, in 2023 it increased to 62.50, therefore, Hon. Speaker, an increase of 33%. Njunu tea factory, in 2023, the total payment was 44 shillings per kilogram, then in 2024, it was 62.20, therefore an increase of 41.40%. If you go to Ngere tea factory, the total payment was 46 shillings per kilogram in 2023, then in 2024, it was 62 shillings, therefore an increase of 34.80%. If you go to Nduti tea factory, in 2023 it was 46 shillings per kilogram, then in 2024 it was actually 60.90 shillings per kilogram, and again, an increase of 32.4%. Finally, to Ikumbi tea factory, the total payment in 2023 per kilogram was 45 shillings, then in 2024 it was 59 shillings, therefore an increase of 31.1%. Therefore, Hon. Speaker, it was not poor bonuses; it was an increase in bonuses.

Question two from Hon. Grace Nduta City, Hon. Speaker, was, Is the Chairperson aware that tea farmers were harassed and manhandled by police while expressing their displeasure and demanding for answers through peaceful demonstrations in some parts of the

county? And our response as a committee, Madam Speaker, was, yes, at Githambo tea factory, there were fracas during the demonstration, which was due to delayed declaration of tea bonus since the regional tea chairman of the region was out of the country, after which the declaration has been done though the factory chairman and leadership have resigned. The declarations were long done.

Question three, Madam Speaker, from Hon. Nduta City is, agriculture being a devolved function, can the Chairperson inform this Assembly how the County Government is supporting tea farmers in Murang'a to attain low production costs in order to stabilize farmer's net profits? Our response, Madam Speaker, here we really had to consult because, as you know, tea is controlled by the national government; it is a matter of the national government, however, as the County, we can only boost the farmers through various programs that are being done in the county, like: Inua Mkulima program, where the County is supporting the dairy farm inputs as well as the maize & fertilizer program. Bursaries such as university, orphans and vulnerable, Nyota Zetu, and next year all top ten students in form two, three and four will each be getting bursary in this manner: first term Kshs 4,000, second term Kshs 4,000, third term Kshs 3,000 per student. Uji Program where 42,000 students are drinking porridge every day cushioning our farmers and now piloting a food program. Kangata Care which has translated to SHA, among others. Murang'a Youth Service (MYS), where youths are getting temporary employment, training where they get National Industrial Training Authority Certificates and later get a seed capital of Kshs. 15,000 to start businesses. Those are the only ways that we can actually say we are doing to boost farmers because, tea is actually a national matter.

Question four, Hon. Speaker, in the interest of tea farmers and to avert further uproar, can the Chairperson clarify on why some KTDA factories in the County, such as Kanyenya-ini in Hon. Grace City's ward of representation, have delayed declaration of the annual bonus, an exercise that was to be completed by September 20, 2024? Our response again, Hon. Speaker, is that the Murang'a South chairperson was out of the County, but already the declaration has been done as stated. Now all factories have declared their bonus for the year and madam speaker, as we noted, there was actually an improvement.

Madam Speaker, I go straight to the Committee observations; the Committee made the following observations:

1. That the tea sub-sector has been experiencing challenges particularly as per What Hon. Grace Nduta said, with regard to diminishing earnings to tea farmers.

2. That the management of the smallholder sub-sector is currently vested in KTDA. It is the KTDA that controls the tea sector through the national government.
3. That the problems in the tea sub-sector are partly attributable to the performance of KTDA which is negatively affecting both the tea sub-sector and the Kenya economy as a whole.
4. That in the conduct of its business, KTDA may have in some instances acted contrary to applicable Kenyan laws including the Company's Act as well as acting against the interest of smallholder tea farmers; and
5. That there is compelling public interest for the County government to intervene to secure the interests of Murang'a smallholder tea farmers. Whichever way they can even though tea is supposed to be dealt with at the national level.

The Committee recommend is as follows:-

1. The Committee on Agriculture, Livestock and Fisheries to conduct investigation and inquire into the current status of tea sector in Murang'a County and undertake an evaluation of the key challenges facing the sector and recommend the way forward. We will continue to do more investigation. Even though tea is not under us, agriculture is a devolved function.
2. The County Executive Committee Member for Agriculture to submit to the County Assembly a report on status of tea factories in Murang'a County indicating the following:
  - a. The number of tea factories in Murang'a County per sub-county and their physical locations of the said factories, because we realized there are so many tea factories that are not in record. Some died so long time ago. We need to get the report on the physical location and whether they are operating.
  - b. The current status of the tea factories.
  - c. The current County legislations governing management of tea sector factories in Murang'a County.
  - d. The challenges facing the sector and measures put in place by the department to improve the sector.
  - e. The Committee to conduct visit the Mombasa Tea Auction to collect information on the value of Murang'a Tea at the International Market.

That is our response Madam Speaker.

**The Temporary Speaker (Hon. Hanna Wairimu):** Hon. Grace Nduta, are you satisfied with the response?

**Hon. Grace Nduta:** Thank you Hon. Speaker. I am the person who had laid the Statement seeking clarification from the Committee. I'll start by commending the Committee for the work well done and for investigations that we've made but I would want to state that I'm not comfortable enough with the response of the Committee, because I can tell from the Report that some of the information is untrue having come from the said the area where the tea factories are. Being a farmer myself, some of the observations and some of the things that have been mentioned in the Report are not true. I wonder who guided the Committee on the same.

When you go to the ground, Hon. Speaker, you find that the farmers are still crying and the farmers are still not comfortable with the payment as per what was promised by the directors when they were electing them. I would want to clarify that it is Kanyenya-ini tea factory, madam chairperson that had delayed the bonus, it is not Githambo tea factory as it was stated in your Report.

I would also want to know how a person being outside of the country would affect the operations of a factory. I would want to know from the Committee, if a company is run by an individual and I would want to know what will be the case if he's not in this world.

I have seen in your recommendation that you have said that the Committee will visit the Mombasa tea auction. I want to know when that that should happen and it should happen as fast as possible.

*(Hon. Morris Ngunu rose on a point of order)*

**Hon. Morris Ngunu:** I would want the member for Kanyenya-ini to clarify what she exactly means by saying, when someone is not in this world, could he be in Mars because I believe he is not dead.

**The Temporary Speaker (Hon. Hanna Wairimu):** Okay you have been told to substantiate your facts according to Standing Orders.

**Hon. Grace Nduta:** Thank you Hon. Chair and thank you member for Kiru my brother who also come from tea growing area and I hope you understand the plight of tea farmers in our areas and I would really like you to support me as a member representing tea growers. What I meant is that I have heard from the Chairperson Agriculture and Fisheries Committee saying that the cause of delay on pronouncing of the bonus was because the Chairperson was out of the country and I was wondering if he runs the company from his pocket because he

would have delegated. Whatever was to be done he could have delegated. That is what I meant and I wondered if the company is his or it is for shareholders.

I have heard from the Chairperson that the Committee intends to visit the tea auction in Mombasa and I was emphasizing they should make it as quick as possible and give a report on this House on findings. I would also request the good Committee led by the good Chairperson who is in the House to invite all the directors representing those areas and all the representatives in the Committee for a meeting. We ask the representatives from tea growing areas and the Committee to invite them so that we may listen to them probably from the horse's mouth because quite a number of what they have reported is untrue. Thank you, Hon. Speaker.

**The Temporary Speaker (Hon. Hanna Wairimu):** Thank you Hon. Grace. The Chairperson from Committee on Agriculture you have heard the contentious issues raised by the Hon. Grace City. Now I will make a ruling. The Chairperson to liaise with Hon. Grace City for the four questions and within 14days you come up with a competence response.

Next order.

## MOTION

### ADOPTION OF REPORT OF BUDGET AND APPROPRIATIONS COMMITTEE ON THE COUNTY BUDGET REVIEW AND OUTLOOK PAPER 2024.

**Hon. Charles Machigo:** Thank you Madam Speaker, I beg to move the following Motion; -

That this Assembly adopts the Report of Budget and Appropriations Committee on the County Budget Review and Outlook Paper (CBROP) laid on the Table of this Assembly on Tuesday, November 2024.

Madam Speaker, I am pleased to present to this House the Budget and Appropriations Committee Report on the County Budget and Review Outlook Paper 2024 that was submitted on 11<sup>th</sup> October 2024. Submission of this Paper is in accordance to the provisions of Section 118 of the Public Finance Management Act 2012. The paper is prepared to review previous year fiscal performance (2023/2024) and give a budget comparison for the same year. CBROP also provides information on changes in forecasts that are captured in the County Fiscal Strategy Paper (CFSP) 2024 and how the actual performance of the previous financial year may have affected compliance with the fiscal responsibility principles and the county financial objectives for the year. There is also the updated economic and financial outlook that sets out the broad fiscal parameters in preparation for the next budget cycle of 2025/2026.

Madam Speaker, the fiscal year 2023/2024 had an approved budget amounting to Kshs. 10,408,366,000 where Kshs. 9,307,437,000 was realized as revenue. The expenditure amounted to Kshs. 8,706,255,000 comprising of Kshs. 2,060,192,000 for development activities and Kshs. 6,659,935,000 for recurrent items. The revenue realized comprised of Kshs. 1,116,795,000 from own sources and Kshs. 595,401,332 from loans and grants. The current Financial Year (FY) of 2024/2025 budget amounts to Kshs. 10,500,497,953 comprising of Kshs. 7,753,473,000 as equitable share and Kshs. 597,902,936 being unspent balances for the FY 2023/2024.

Madam Speaker, Kshs. 900,100,000 being loans for the grant and Kshs. 1.250 being own source revenue estimated for implementation of the budget hampered by the late disbursement of equitable share. The fiscal projection of the median term indicates the revenue shall grow from Kshs. 10.5 billion in 2024/2025 to Kshs. 10.6 Billion for the FY 2025/2026. Local revenue is the game changer is expected to grow to Kshs. 1.5 billion for the FY 2027/2028. The County Budgeted Review and Outlook Paper (CBROP) provided under provisions 18 of the Public Finance Management (PFM) Act to give review of provision FY, financial performances and give reason for any deviations from fiscal objective adopted by County Fiscal Strategy Paper (CFSP).

Madam Speaker, the FY 2023/2024 was a remarkable period where the County was able to realize the surplus own source revenue target improved management of revenue sources through automation and enforcement led by high performance of local revenue. This was the first budget to be deviated by the current administration in line with the manifesto of the County Integrated Development Plan (CIDP) for 2023/2027. The fiscal year 2024/2025 was prepared to implement the second phase of the CIDP 2023-2027. The broad strategy priorities include the agriculture transformation, universal agriculture, youth empowerment. The budget contained the appropriation for facility improvement as a separate revenue expenditure in it.

The Committee observed the following; significance of CBROP. The CBROP enables the policy maker to understand how approved budget and provision of FY was implemented. In view of this, the policy makers are able to identify deviations and financial objectives set out in the CFSP. And as to understand the reason, therefore, in scrutinizing past performances law makers are equipped with information that enable them to make future decisions for CBROP outlined under the Article 201 of the Constitution. The analysis microeconomic variable enables the County government to be cognizant of the global happenings that are possible to affect the growth and development in the County.



Madam Speaker, the fiscal performance of the financial year 2023. The County supplementary budget amounted to 10.4 billion. The actual revenue realized total to 9.3 billion. The actual expenditure amounted to 8.7 billion, comprising of 2 billion and 6.6 billion for development and current expenditure. The development budget was implemented to the tune of 66% of the approved budget where the finance sector fully exhausted the allocated and the least absorption observed in Agriculture and Health. The table below indicates the budget implementation for the financial year 2023/2024 where the Finance department led with 100% absorption followed by youth department with 91% and trade department with 84%, transport 74% and the least absorbed was Lands with 19%. Madam Speaker that is the schedule for implementation of the development budget for the financial year 2023.2024 that totalled to 3.1 billion and whatever was achieved was only 2 billion.

Madam Speaker, the recurrent budget was implemented to a tune of 91% of the approved budget where highest absorption was from the healthy budget, the lands department had the lowest absorption rate of 53%. The schedule below provides an analysis of recurrent budget execution for the financial year 2023/2024 and it indicates very clearly that health led with 98%, seconded by education 94% and Agriculture 92% and the least in implementation was lands at 53%.

The own source revenue performance during the financial year 2023/2024 was one of the highest since the inception of devolution in 2013, where the County was able to surpass the revenue targets of 1.795billion and Madam Speaker the schedule below provides an analysis of the local revenue performance for the last five fiscal years. The year 2019/2020 the County managed to collect 551 Million, 2020/2021 627 million, 2021/2022 520million, 2022/2023, 658 million and the last financial year 2023, the county managed 1.116 billion. those are the analysis for the revenue performance for the last five fiscal years. The expenditure records indicate that the personnel emoluments budget was utilized was utilized to a tune of 99.2 % while the operation and maintenance budget was absorbed until to 78%, development budget on the other hand was KS 1, 074, 335 was utilized and the schedule below here explains the utilization.

The revenue growth over the medium term; the medium-term expenditure projections, it is projected that the equitable revenue and spent balances and low growth shall stagnate over medium term for the FY 2027/2028. Own source revenue however is expected to increase by 1% every financial year and grow to 1.55Billion over the medium term and madam speaker the projections are in the schedule drawn below here.

The other issue Madam Speaker is the sector indicative ceilings; the projected sector ceilings indicates that the health sector will get the lion share of 34.5 per cent, road and transport will get 11.6 per cent while public service is projected to get 9.8 per cent of the total budget. The lowest share shall be allocated to the County Public Service Board (CPSB) of 0.3 per cent as indicated below here. My Committee came up with the following recommendations:

1. That during the FY 2025/26, the County Treasury should prioritize resource mobilization through Own Source Revenue enhancement and development of Public Private Partnerships (PPPs) and other funding platforms to create fiscal space for development programs that lead to economic growth.
2. That the County Executive Committee Member (CECM) for Finance should ensure that the County Fiscal Framework is strictly adhered during the strategy and budget stages. New programs should not be introduced if they are not in the approved County Integrated Development Plan (CIDP) 2023-28.
3. Development programs and projects should be reviewed annually to identify their impact and contribution to the County economic growth. Monitoring and Evaluation should be done regularly to identify areas of improvement.
4. The County Treasury should ensure that budgets and policy documents are prepared while considering the macro-economic variables such as the global economic growth, inflation rate, exchange rate and the changes in GDP.
5. The County Treasury should ensure that the projected resource envelope of this report should be revised in line with the provisions of the Budget Policy Statement that will be approved by the National Assembly. During the formulation of the County Fiscal Strategy Paper (CFSP) Sector Ceilings should be backed by program objectives as per the principles of Program Based Budgeting (PBB).
6. That allocation for the Energy and Environment should be separated from the Transport sector allocation. The CFSP should clearly indicate allocations for all departments separately to enable proper oversight and legislation by the County Assembly.

That is our Report and I urge members to adopt the Report for further action by the CECM as per the recommendation. I call upon Hon. Pauline a member of the Committee to second the Motion.

**Hon. Pauline Muchiri:** Thank you, Madam Speaker, I stand to second the Report as you know County Budget Review Outlook Paper (CBROP) enable us as law makers to know how budget is implemented. It also allows us as law makers to make future decisions. Thank you, I second.

*(Question Proposed)*

*(No debates arose)*

*(Question put and agreed)*

### **MOTION**

ADOPTION OF REPORT OF WATER AND IRRIGATION COMMITTEE ON  
CONSIDERATION OF ANNUAL WORK PLAN 2024/2025 WATER AND IRRIGATION  
SUBSECTOR UNDER DEPARTMENT OF WATER IRRIGATION AND ENVIRONMENT

*(Motion was not moved)*

### **ADJOURNMENT**

**Temporary Speaker (Hon. Hannah Wairimu):** Honorable members there being no other Business this House stands adjourned until Tuesday 3<sup>rd</sup> December 2024 at 9:30 a.m.

*The House rose at 11:00 a.m.*