

MURANG'A COUNTY GOVERNMENT

Dear
Dear
2022



MURANG'A COUNTY ASSEMBLY
Received Clerk's Office
06 DEC 2022
SIGN: [Signature]
P. O. Box 731 - 10200, MURANG'A

OFFICE OF THE COUNTY SECRETARY/HEAD OF PUBLIC SERVICE

ALL CORRESPONDENCE TO BE ADDRESSED:
THE COUNTY SECRETARY

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P.O Box 52—10200,
Murang'a,
Kenya
Telephone 060-2030271

Ref: **MCG/CS/ADM/5 Vol. III (10)**

5th December, 2022

The Clerk
MURANGA COUNTY ASSEMBLY

RE: SUBMISSION OF THE PUBLIC FINANCE MANAGEMENT (MURANGA COUNTY AGRICULTURAL FARM INPUTS SUBSIDY FUND) REGULATIONS, 2022

The above subject matter refers.

The County Executive Committee sitting on 23/11/2022 approved the Public Finance Management Act (Muranga County Agricultural Farm Inputs Subsidy Fund) Regulation 2022.

This is therefore to submit the same to the County Assembly for consideration.

Thank you in advance.

[Signature]

Prof. Kiarie Mwaura
CECM, FINANCE & ECONOMIC PLANNING

CA HBRC

List in the OP
[Signature]

The Public Finance Management Act (Murang'a County Agricultural Farm Inputs Subsidy Fund Regulations 2022)

IN EXERCISE of the powers conferred by section 116 (5) of the Public Finance Management Act 2012, the County Executive Committee member for finance and economic planning makes the following

Regulations-

THE PUBLIC FINANCE MANAGEMENT ACT (MURANG'A COUNTY AGRICULTURAL FARM INPUTS SUBSIDY FUND REGULATIONS 2022)

Enacted by the Murang'a County Assembly as follows

PART I: PRELIMINARY

1. Citation

This regulation may be cited as "The Public Finance Management Act (Murang'a County Agricultural Farm Inputs Subsidy Fund Regulations 2022)"

2. Interpretation

In this Regulations unless the context otherwise requires

"Accounting officer" in relation to the fund means a person appointed by the County; Executive Committee Member for Finance and Economic Planning for any service in respect of which money have been appropriated by the County Assembly or any person to whom issues are made from the County Revenue Fund account;

"Fund Manager" in relation to the fund means a person designated by the County Executive committee member for Finance and Economic Planning to administer the Fund;

"Committee" means the Agricultural Farm Inputs Subsidy Fund Committee;

"Voucher" is a paper or electronic card that can be, exchanged for goods or services.

"Direct settlement" means money sent to the farmers under these regulations.

"Farmers" means producers of such products as are subject of these regulations.

“Co-operative Society” means a Co-operative Society duly registered under the Co-operatives Act, Chapter 490, Laws of Kenya.

3. The objects and purposes

The objects and purpose of these regulations are to

- i. Establish centralized Fund into which all the revenues available pursuant to these regulations shall be paid and administered;
- ii. Provide oversight and administration of the Fund;
- iii. Offer agricultural farm input cash subsidy to dairy farmers, mango farmers and farmers of such other products as shall be subject of these regulations from time to time. This will help deliver farm produce to respective Co-operative Societies approved under these regulations and hence enable the farmers increase productivity, facilitate cost reduction in production while also facilitating market access for their products.
- iv. To spur an increase in usage of farm inputs in mangoes and dairy value chains, while increasing productivity and farm incomes, and hence the standard of living of its citizens.

4. Application of this regulations

These regulations shall apply to farmers who are members of Co-operative Societies approved under these regulations, in Murang'a County, under the criteria established by its County Government and whose objectives is to collect, aggregate, and market the products of their members.

PART II---THE CRITERIA AND OBLIGATIONS OF STAKEHOLDERS

5. The Direct Settlement Program

- i. The direct settlement shall be in the form of money that will be sent in the mode specified and agreed with the beneficiaries as redeemable at specified farm input suppliers;
- ii. The program shall initially target milk and mango farmers, on a criteria to be set by the CEC for the time being in charge of the Department of Agriculture, Livestock, and Fisheries, of Murang'a based prevailing on poverty indices;

- iii. While this subsidy program will initially be limited to mango and dairy farmers, it would also be available to such other products as may be decided from time to time by the County Government of Murang'a. The farmers must be members of a registered Cooperative, or as shall be determined by the Fund Manager in consultation with the CECM Agriculture, Livestock, and Fisheries
- iv. This subsidy on dairy and mangoes shall be, reviewed annually based on performance against the set objectives and may include other commodities as may be determined by the CECM Agriculture, Livestock, and Fisheries.

6. Implementation

- i. There shall be a Secretariat of four (4) persons seconded to the Fund Manager by the CECM Agriculture, Livestock, and Fisheries, from the department, to assist the committee in the implementation of the Agricultural Farm Input Subsidy; who shall comprise of heads of directorates with knowledge in the enterprises under subsidy;
- ii. The Secretariat will support the committee to be, appointed under the Fund in implementing the Farm Inputs Subsidy program.
- iii. There shall be a standard form for registration and vetting of beneficiary farmers as shall be appended in these regulations, and whose data shall be captured electronically;
- iv. There shall be an IT application developed for efficiency in the implementation of the Farm Inputs Subsidy for the direct delivery of subsidy services and to also act as a Management Information System (MIS) for data management;
- v. The farm subsidy program shall run for a specified period of time;

7. Priority value chains

- i. The priority value chain initiatives and programs shall target dairy and mango farmers whose members shall belong to registered cooperatives approved under this regulations;
- ii. The above clause (i) notwithstanding, the program may be extended to other crops, livestock and fisheries enterprises or services

8. Selection of beneficiaries

- i. The digital farm input subsidy program shall be applicable only to vetted and registered farmers within Murang'a County;
- ii. Only persons confirmed as either mangoes and dairy farmers will be qualified initially for piloting purpose;

9. Obligations of the County Government

- i. The county government shall provide the Secretariat with the resources necessary for the smooth running of this program as well as appoint the Fund Manager;
- ii. Ensure the program is mainstreamed in the annual planning and budgetary process;
- iii. Provide the criteria for beneficiary and supplier selection, that meets the standards of openness, fairness and accountability;
- iv. Recruit the beneficiaries and suppliers to the program;
- v. Procure the necessary MIS- IT system to facilitate process automation and infusion of effective governance;
- vi. Appointment of the Fund Manager and Committee Members;
- vii. Facilitate signing of program roll-out contracts on service's provision and up-taking of raw materials;
- viii. Payment of the suppliers in time upon delivery of services through the Fund Manager;
- ix. Carry out regular monitoring and evaluation to ensure that the program delivers on its objectives and measurable outputs and impacts.

10. Obligation of beneficiaries

- i. Utilize the digital subsidy issued under the program for the intended purpose for which issued;
- ii. Utilize the farm inputs issued from the supplier as stipulated in the program guidelines issued at time of recruitment;
- iii. Practice good agricultural practices in the production process to ensure maximization of production;
- iv. Deliver quality and marketable produce to the aggregator or processor as contracted at the agreed prices;

11. Obligation of the Co-operative Societies

- i. Collect and aggregate the required quality products subject of these regulations.
- ii. Pay to the registered farmer beneficiaries the agreed price and subsidy within seven (7) days of sale and receipt of payment from the processor or consumer.
- iii. Enact such By Laws that lead to good corporate governance; including recruitment of a qualified general manager, qualified accountant and such other necessary personnel.
- iv. Recruit qualified produce collectors who shall execute the necessary indemnities against any loss occasioned by negligence, or inadvertence on their part in collecting required products.
- v. Farmer education.
- vi. Maintaining proper books of accounts.

12. Obligation of the processors

- i. Receiving the produce from beneficiaries
- ii. Payment in time to beneficiaries for the produce procured by them as per the signed contracts
- iii. Implement all such contracts as signed and agreed upon with the county government;
- iv. Provide required transactional data to the county government

PART III---ESTABLISHMENT OF THE FUND

Establishment of the Fund

13. There shall be established a fund to be known as the Murang'a County Agricultural Farm Inputs Subsidy Fund;
14. Notwithstanding the generality of sub regulation (i) the purpose of the Fund shall include the following—
 - i. Ensuring seamless transfer of budgeted funds under the agriculture department from the County Revenue Account to the Fund;
 - ii. Ensuring seamless payments are made to beneficiaries, suppliers, operations cost incurred against the Fund and any other service providers;

Sources of Funds

15. The funds shall consist of

- i. Monies appropriated by the County Assembly for purposes of this Fund;
- ii. Grants, loans, donations, or gifts to the Fund;
- iii. Monies from any other source approved by the County Executive Committee Member for Finance and Economic Planning
- iv. Monies generated for Food and Nutrition Security and related value chain support work received from engagements of the County Government through the CECM for Agriculture, Livestock and Fisheries with Sustainable Development Partners

16. Expenditure of the Fund

There shall be paid out of the Fund payments in respect of any expenses incurred, in pursuit of the objects and purposes for which the fund is established

PART IV---MANAGEMENT OF THE FUND

17. Committee of the fund

There is established a Committee of the Fund to be known as Agricultural Farm Inputs Subsidy Fund Committee which shall consist of;

- i. Chairperson appointed by the Governor;
- ii. County Executive Committee Member in charge of Agriculture, Livestock, and Fisheries,
- iii. County Executive Committee Member in charge of Finance and Planning
- iv. The Chief Officer Agriculture, Livestock, and Fisheries
- v. Director in charge of the Subsidy Program;
- vi. Two representatives of Commodity of Livestock Co-operatives who must possess a minimum qualification of a relevant University Degree, appointed by the Governor.
- vii. A competitively recruited County Government Fund Manager who shall be the Secretary to the Committee.

18. Functions of the Committee

The functions of the committee shall be--

- i. To consider and recommend the estimates of revenue and expenditure to and from the fund to the County Executive Committee Member for Finance for consideration;
- ii. To approve disbursement from the Fund Account in consultation with the County Executive Committee Member for Finance Planning;
- iii. To receive, review and approve reports on the performance of the Fund from the Fund Manager
- iv. To oversee the monitoring and evaluation of the program and activities under the Fund;
- v. To approve the financial statements of the Fund prepared in accordance with these rules;
- vi. To perform any other functions that shall be assigned by the County Executive Committee Member for Finance and Planning
- vii. To ensure strict compliance with the Fund Management rules set out in place by the PFM law and in these regulations.

19. Functions of the Fund Manager

The Fund Manager shall;

- i. Cause to be opened an account (s) in the name of the Fund in consultation with the CECM Finance and Planning and in an acceptable bank in accordance with the requirements of the PFM Act 2012.
- ii. Consult on all matters relating to the Fund with the committee and the CECM Finance and Planning to cause the smooth running of the Fund;
- iii. Ensure that all disbursements or expenditures are done in accordance with provisions of the Public Finance Management Act;
- iv. Prepare and cause to be tabled annual statements of accounts as appointed in respect of each financial year;
- v. Cause to be kept proper books of accounts and records on the operations of the Fund;
- vi. Prepare periodical reports to be approved by the committee and subsequent attention to the County Governor and the County Assembly of Murang'a;
- vii. Be the custodian of all assets, equipment and property of the Fund

PART V---FINANCIAL PROVISIONS

20. Bank Account of the Fund

- i. The executive committee member in charge of Finance and Planning shall issue guidelines on banking arrangements of the Fund under the provisions of the Public Finance Management Act 2012;
- ii. The Fund Manager in consultation with the County Executive Member for Finance and Planning, and the Chief Officer in charge of the same department, shall manage the bank accounts for the Fund.
- iii. Signatories to the fund shall be
 - a. Chief officer Finance and Planning
 - b. Chief officer Agriculture, Livestock, and Fisheries
 - c. The Fund Manager
- iv. The bank accounts for the fund shall be subject to audit in accordance with the provisions of the Public Finance Management Act 2012.

21. Audit

- i. The Fund Manager shall cause to be kept proper, and separate, books and records of accounts of its Fund for mangoes and dairy;
- ii. The CECM for Finance and Planning shall cause to be submitted to the Auditor general
 - a. A statement of income and expenditure of the Fund during the financial year;
 - b. A statement of assets and liabilities of the fund as at the last day of the financial year;

PART VI--MISCELLANEOUS PROVISIONS

22. Lapse of the Fund

- i. The Fund shall subsist perpetually until such a time; as the County Government shall, by way of a resolution of the County Executive Committee, determine.

23. Winding up of the Fund

Upon lapsing of the fund in the manner provided for under the regulations (22) the fund shall be wound up in accordance with the provisions of the Public Finance Management Act 2012 and the regulations made thereunder

24. Monitoring, evaluations and reporting

The Fund Manager shall formulate a monitoring framework, and a regular data driven monitoring exercise, not exceeding once monthly, shall be mandatory by the seconded secretariat. A midterm and end year or annual evaluation shall be a requirement by the committee of the Fund. Submission of all activity reports to the Fund Manager and with summary copy forwarded to the governor shall be, undertaken once every financial year, or as may be, demanded.

Guidelines

The County Executive Member in charge of Agriculture, Livestock, and Fisheries shall make any additional guidelines that may be necessary for the proper implementation of these regulations.

25. Amendments

- i. The committee may on its own motion or at the insistence of any other interested party recommend to the County Executive Committee Member in charge of Finance and Planning, any amendments to these regulations for considerations;

The executive committee member in charge of finance, IT and planning shall subject any recommendations from the committee for amendment to the regulations to public participation before giving effect thereto

Made on the 5th December 2022



Hon.(Prof) Kiarie Mwaura

County Executive Committee Member, Finance, IT and Economic Planning
Murang'a County Government

Appendices

Standard VETTING CRITERIA FORM for vetting of qualification of beneficiaries, farm inputs suppliers and processors

Form 1 A

Category Number	Beneficiaries	Consideration mangoes farmers	Consideration dairy farmers
1	Farmers	Must be adult above 18 years (any gender)	Must be adult above 18 years (any gender)
		Proof of land ownership with mangoes and sales in last two years	Proof of productive dairy cows ownership with milk deliveries in last two years
		Own at least 5 mature mangoes trees	Own at least one adult dairy cow
		Show proof of records of annual/seasonal sales of fruits	Show proof records of monthly/ annual sales of milk
		Belong to an organized cooperative society or legal entity to which fruits are sold	Belong to an organized milk cooperative society that affiliated to a Union to which milk is sold for processing
		Have access to own registered mobile money transfer	Have access to own registered mobile money transfer
		Must be adjudged vulnerable based on criteria to be set by the grant committee	Must be adjudged vulnerable based on criteria to be set by the grant committee
		Must commit to follow GAP practices to improve pest and disease control and on fruit quality	Must commit to follow GAP and animal health practices to improve marketable milk quality

		Must commit to follow guidelines to be issued against access to grants and resultant penalties as shall be communicated.	Must commit to follow guidelines to be issued against access to grants and resultant penalties as shall be communicated.
		Must work collectively through the cooperative in which registered on marketing to specified fruit uptakes	Must work collectively through the cooperative in which registered on marketing to specified raw milk uptake
		Must commit to sharing data as shall be requested regularly on production, fruit sales and cash advanced as subsidy	Must commit to sharing data as shall be requested regularly on production, milk sales and cash advanced as subsidy
		Must agree to access to recommended crop grafting material and improved varieties to improve on orchard quality	Must agree to access to recommended breeding material and AI program to improve on airy herd
		Must commit to submit data required under the information communication technology MIS for performance tracking	Must commit to submit data required under the information communication technology MIS for performance tracking
2	Input Suppliers	Must formally apply to be included to the mangoe subsidy program as an input supplier formally upon request by the county government in writing	Must formally apply to be included to the dairy subsidy program as an input supplier formally upon request by the county government in writing

	Must sign a contract of input supply with the all subsidy beneficiary farmers supplying mangoes fruits	Must sign a contract of input supply with the all subsidy beneficiary farmers supplying milk under this program to identified processors
	The contracts so signed with the mangoe farmers shall be committal on inputs pricing portion payable by processor and agreed subsidy by the county government	The contracts so signed with the dairy farmers shall be committal on inputs pricing portion payable by processor and agreed subsidy by the county government
	.The contract with mangoes farmers must equally be countersigned by the cooperative society through which farmers are affiliated	.The contract with dairy farmers must equally be countersigned by the cooperative society through which farmers are affiliated
	Must sign a commitment with Murang'a County Government as commitment of a farm inputs supplier to the mangoe subsidy program	Must sign a commitment with Murang'a County Government as commitment of a farm inputs supplier to the dairy subsidy program
	Make commitments to the guidelines and regulations operational in the mngoese subsidy program	Make commitments to the guidelines and regulations operational in the dairy subsidy program
	Commit to continuously stock mangoes farm inputs stock required as	Commit to continuously dairy cows farm inputs stock required as

		guided and as required per season without fails	guided and as required without fails
		Commit to submit claims as shall be required and in a timely format	Commit to submit claims as shall be required and in a timely format
3	Processors	Processor must be located within reach to allow for close contact with fruit producers	Processor must be located within reach to allow for close contact with dairy producers
		Processor must commit to buy fruits from registered beneficiates and any other fruit producer within Murang'a whether or Not in the subsidy program but be able to separate data on purchases from the two categories	Processor must commit to buy raw milk from registered beneficiates and any other producers under the cooperatives identified within Murang'a whether or Not in the subsidy program but be able to separate data on purchases from the two categories
		Must formally apply to be included to the mangoes subsidy program as processor formally upon request by the county government in writing	Must formally apply to be included to the dary subsidy program as processor formally upon request by the county government in writing
		Must sign a contract of mangoes fruits uptake from registered farmer beneficiaries for either flesh or processing markets with differentiated pricing	Must sign a contract of raw milk uptake from registered farmer beneficiaries for either flesh or processing markets with differentiated pricing

		The contracts so signed with the mangoes farmers shall be committal on fruits pricing, portion payable by processor and agreed subsidy by the county government	The contracts so signed with the dairy farmers shall be committal on milk pricing, portion payable by processor and agreed subsidy by the county government
		.The contract with mangoes farmers must equally be countersigned by the cooperative society through which farmers are affiliated and the authorized County Government representative on site	.The contract with dairy farmers must equally be countersigned by the cooperative society through which farmers are affiliated and the authorized County Government representative on site
		Must sign a commitment with Murang'a County Government as commitment of a mangoes fruits uptake under the subsidy program	Must sign a commitment with Murang'a County Government as commitment of a raw milk uptake under the subsidy program
		Make commitments to the guidelines and regulations operational in the mangoes price program	Make commitments to the guidelines and regulations operational in the milk pricing program
		Commit to be an actor in value chain improvement through field support services as a co operate social responsibility	Commit to be an actor in value chain improvement through field support services as a cooperate social

			responsibility in the sub sector
		Commit to submit payment data as shall be required and in a timely format to the County government	Commit to submit payment data as shall be required and in a timely format to the County government
	Other Criteria	VULNERABILITY BASED ON OBSERVLE MANGOE CROP INDICATORS 1=Very high 2=High 3=Average 4Low 5=Very low	VULNERABILITY BASED ON OBSERVLE ANIMAL CONDITON INDICATORS 1=Very high 2=High 3=Average 4Low 5=Very low
		VULNERABILITY BASED ONOVERALL CROP INCOME INDICATOR 1=Very high 2=High 3=Average 4Low 5=Very low	VULNERABILITY BASED ONOVERALL DAIRY INCOME INDICATOR 1=Very high 2=High 3=Average 4Low 5=Very low

Application form (BENEFICIARY-Murang'a County farm Inputs E-subsidy program)

MANGOES SUBSIDY PROGRAMME FARMERS APPLICATION FORM Form 1B

1. Name of Mangoes Farmer.....
2. Name of Cooperative Branch
3. Gender: Male [] Female [] ID No..... Address.....
4. Age: 35 years and below [] 35-60 [] 61 & above []
5. Education status: Primary level [] Secondary level [] Tertiary level []
6. Mangoes Cooperative (if member).....
7. Active mangoes Cooperative Membership: Active [] Inactive []
8. Number of household members.....
9. Crop varieties grown.....
10. Land size (Acreage)... Latitude.....Longitude Other enterprise
11. Type of residential house; Mud/Wooden [] Semi permanent [] Permanent []
12. With mature Mango trees Yes [] No [].... Immature Trees Yes [] No []...
13. Number of mango trees owned
14. Number of trees under production in season Annual fruit production
15. Average expenditure on mango inputs per season (Ksh)
16. Total fruit pcs fruit sold per season (Kg).....Weight sold to Cooperative (Kg)
17. Fruits sold to other vendors per season (Kg) ... Income from mangoes per season (Ksh) ...
18. Other on-farm income per month (Ksh) Potential plant population

19. Major pests control cost diseases control costs/season.....

20. Total household income per Year (Ksh)

.....

21. With bank/Sacco account: Yes [] No []

22. Bank: Acc. No:

.....

23. Mobile Money details: Name: Phone No:

.....

24. Signature of

Applicant Date

25. Recommendation by Evaluator on suitability for the program

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.....

.....

Name

.....Signature.....

.....

NOTES

Form 1C

DAIRY SUBSIDY PROGRAMME FARMERS DETAILS FORM FORM

1. NAME:

.....

2. Name of CooperativeBranch

.....

3. Gender: Male [] Female []

4. Age: 35 years and below [] 35-60 [] 61 & above []

5. Education status: Primary level [] Secondary level [] Tertiary level []

6. Dairy Cooperative

.....

7. Active dairy cooperative membership: Active [] Inactive []

8. Number of household members

9. Land size (Acreage):

.....

10. Type of residential house; Mud/Wooden [] Semi permanent []
Permanent []

11. With Zero grazing unit Yes [] No []

12. Number of cows owned

.....

13. Number of cows in milk:

.....

14. Average expenditure on dairy inputs per day(Ksh)

.....

15. Total milk production per day (Kg)

.....

16. Milk sold to cooperative per day(Kg)

.....

17. Milk sold to other vendors per month (Kg)

.....

18. Income from milk per month (Ksh)

.....

19. Other on-farm income per month (Ksh)

.....

20. Off-farm income per month (Ksh)

.....

21. Total household income per month (Ksh)

.....

22. With bank/Sacco account: Yes [] No []

23. Bank:.....Acc. No:

.....

24. Mobile Money details: Name:

Phone No:

25. Signature of Applicant.....Date

Recommendation by Evaluator

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.....

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Name

.....Date.....

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NOTES

