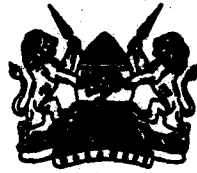


**SPECIAL ISSUE**

**Busia County Gazette Supplement No. 1 (Bills No. 1)**

COUNTY ASSEMBLIES FORUM (CAF)  
P. O. Box 73552 - 00200,  
NAIROBI, KENYA



REPUBLIC OF KENYA

***BUSIA COUNTY GAZETTE  
SUPPLEMENT***

**BILLS, 2014**

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**NAIROBI, 4th April, 2014**

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**CONTENT**

**Bill for Introduction into the Busia County Assembly—**

**PAGE**

**The Busia County Agricultural Development Fund Bill, 2014..... 1**

**THE BUSIA COUNTY AGRICULTURAL DEVELOPMENT  
FUND BILL, 2014**



**ARRANGEMENTS OF SECTIONS**

**PART I—PRELIMINARY**

1. Short title and commencement.
2. Interpretation.
3. Overriding objectives and guiding principles of the Act.

**PART II—INSTITUTIONAL ARRANGEMENTS**

4. Establishment and objectives of the Fund.
5. Establishment of Board of Trustees of the Fund.
6. Composition of the Board of Trustees.
7. Terms and conditions of service.
8. Vacation of office of member.
9. Functions of the Board of Trustees.
10. Powers of the Board of Trustees.
11. Delegation by the Board of Trustees.
12. Conduct of affairs of the business of the Board of Trustees.
13. Chief Executive officer.

**PART III—FUNDING OF AND DISBURSEMENTS**

14. Fund composition.
15. Disbursement from the Fund.
16. Funds to be retained in the Fund.
17. Projects to be community based.
18. Submission of Projects.
19. Project implementation.
20. Project payments and ownership of property.
21. Exemption of donor funded projects.
22. Annual Report.
23. Audit.

**PART IV – MISCELLANEOUS**

24. Salaries and allowances.
25. Power to make regulations.
26. Complementarily.

**THE COUNTY AGRICULTURAL  
DEVELOPMENT FUND BILL 2014**

**A Bill for**

**AN ACT of the County Assembly of Busia to  
establish the County Agricultural Development  
Fund to finance the agricultural sector in the  
County growth by supporting strategic farming  
interventions with high potential for enhancing  
productivity, value addition, quality  
improvements and marketing**

**ENACTED** by the County Assembly of Busia as  
follows—

**PART I—RELIMINARY**

1. This Act may be cited as the County Agricultural Development Fund Act, 2014 and shall come into operation on such date as the Member of the Executive Committee, with the concurrence of the Governor, may appoint.

Short title and  
commencement.

2. In this Act, unless the context otherwise requires—

Interpretation.

“Agriculture” includes—

- (a) fruit, vegetable, flower and seed farming;
- (b) dairy farming, bee keeping, breeding and keeping of livestock;
- (c) conservation and keeping of game animals, game birds, and aquatic animals;
- (d) game ranching and game cropping;
- (e) the use of the land for grazing, market gardening, or for nursery grounds;
- (f) agro-forestry; and
- (g) use of land for the production, transformation and trade of crop and livestock products.

“Agricultural land” means land that is used for agricultural purposes, and includes any land which by any written law is zoned, registered or otherwise designated as agricultural land

“Board of Trustees” means the Board of the County Agricultural Development Fund Board of Trustees established under section 5;

“Crops” means any plant that is grown in significant quantities to be harvested as food, as livestock fodder, fuel, or for any other economic purpose;

“Governor” means the Governor of Busia County Government;

“Fund” means the County Agricultural Development Fund established under;

“Financial year” means a period of twelve consecutive months from 1st July to 30th June;

“Member of the Executive Committee” means the Member of the Executive Committee responsible for agricultural matters;

“Person” includes a company, corporate body (whether incorporated by or under statute or statutory authority), association, fund, natural person, partnership and a registered scheme;

“Project” means an eligible agricultural development project that meets the objectives of section 4 of this Act;

“Prescribed” means prescribed under this Act;

“Regulations” means regulations made under this Act;

3. (1) The overriding objective object of this Act is to provide a comprehensive, harmonized, efficient and effective legal and regulatory framework for financing of agriculture in Busia County for the following purposes—

Overriding  
objectives and  
guiding principles  
of the Act.

- (a) to cascade the use of public funds at the lowest level of governance where the most vulnerable exist;
- (b) to ensure efficiency and transparency in the disbursement of funds; and
- (c) to ensure local-level participation in the provision of county government activities.

(2) All County Government institutions, agencies, public servants and bodies charged with development of crop agriculture shall at all times have due regard to, and observe, the overriding objective of this Act as set out in subsection (1).

(3) Whenever there is a conflict between this Act and any county law, having a bearing on achievement of

the overriding objective of this Act, the provisions of this Act shall prevail.

(4) In the exercise of the powers or the performance of functions under this Act, the Member of the Executive Committee and the Board of Trustees shall be guided by the following principles—

- (a) Public participation and financial inclusiveness;
- (b) Donor linkages and participation;
- (c) Protection of the interests the marginalized, persons with disability, women and youth; and
- (d) Local ownership and sustainability.

## **PART II—INSTITUTIONAL ARRANGEMENTS**

4.(1) There is established a fund known as the Agricultural Development Fund.

Establishment and  
objectives of the  
Fund.

(2) The objectives of the Fund are to —

- (a) provide funding for eligible intervention to cover the mainstream agricultural sector;
- (b) promote county agricultural productivity and marketing through strengthening producer organizations, streamlining and facilitating bulk supply of inputs to farmers, pastoralists and fisher folks including fertilizers, seeds, agro-chemicals, animal breeding, animal drugs and feeds, AI services and fishing gears among others;
- (c) gather, package and disseminate agribusiness-related information pertaining to key elements of the value chain across various sector enterprises including but not limited to agronomic and market information;
- (d) develop core and high impact irrigation infrastructure such as community boreholes, dams, shallow wells and water pans;
- (e) develop appropriate storage, bulking and market facilities in strategic areas with potential for increased agricultural production and or marketing;

- (f) promote core value-addition infrastructural development-e.g. electricity and water facilities;
- (g) provide occasional subsidization of key inputs such as seeds, agro-chemicals, fertilizers, AI services, animal drugs and vaccines whenever high and sudden price hikes are experienced;
- (h) promote high value agricultural, livestock and fisheries products such as oil crops, newly emerging high value crops e.g. zero grazing, aquaculture and ornamental fish farming among others;

5. There is established the County Agricultural Development Fund Board of Trustees which shall be a body corporate with perpetual succession and common seal, capable of—

Establishment of  
Board of Trustees  
of the Fund.

- (a) holding and disposing of any kind of property;
- (b) suing and being sued in its corporate name; and
- (c) doing all such other things as may be incidental or conducive to the exercise of performance of its functions under this Act.

6. (1) The County Agricultural Development Fund Board of Trustees shall comprise —

Composition of  
the Board of  
Trustees.

- (a) the County Chief officer in the county department for the time being responsible for agriculture or his representative appointed in writing;
- (b) the County Chief officer in the county department for the time being responsible for finance or his representative appointed in writing;
- (c) the Head of legal services in the county or a representative appointed in writing; and
- (d) a Chief Executive Officer appointed under section 13 who shall also be the Secretary of the Board; and

- (e) three persons, one of whom shall be the Chairperson of the Board of Trustees, not being public officers, who shall be appointed by the Member of the Executive Committee through a competitive and transparent recruitment process.

(2) The persons under subsection (1) (e) shall hold office for a term of five years renewable for one further term.

(3) A person shall be qualified for appointment under subsection (1) (e) if that person:-

- (a) holds a degree from a university recognized in Kenya;
- (b) has at least five years professional experience in the relevant field; and
- (c) meets the requirements of leadership and integrity as provided for in Chapter 6 of the Constitution or relevant national legislation.

7. Members of the Board of Trustees shall be paid such allowances as the Member of the Executive Committee shall determine in consultation with the County Public Service Board.

Terms and  
conditions of  
service.

8. (1) The office of a member of the Committee appointed under section 6 (1) (E) shall become vacant if the member—

Vacation of office  
of member.

- (a) is adjudged bankrupt;
- (b) is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months;
- (c) is convicted of an offence involving fraud or dishonesty;
- (d) is absent, without reasonable cause, from three consecutive meetings of the Committee;
- (e) resigns in writing addressed to the Member of the Executive Committee;
- (f) is removed from office by the Member of the Executive Committee for—
  - (i) being unable to perform the functions of his office by reason of mental or physical

infirmity; or

(ii) failing to declare his interest in any matter being considered or to be considered by the Committee; or

(iii) any other sufficient reason as may be prescribed.

(g) dies.

**9. (1) The functions of the Board shall be to:**

Functions of the  
Board of Trustees.

(a) provide the strategic guidance and oversight to the Fund;

(b) implement the policies of the county government on agricultural sector funding;

(c) ensure that all projects funded under this Act are consistent with the counties priorities specified in the relevant policy documents on County agricultural development and financing;

(d) authorise allocations from the Fund ;

(e) formulate and approve standards, guidelines and procedures for funding under this Act,

(f) approve the organizational structure of the Fund;

(g) provide oversight in the utilization of the Fund; and

(h) perform any other function as may be conferred on it by this Act or any other written law

(i) approve annual work-plans and budgets of the Fund;

(j) advice the county government on any of the matters contained in this Act; and

(k) perform any other function as may be conferred on it by this Act or any other written law.

**10. (1) In the discharge of its functions, the Board of Trustees shall have all powers necessary or incidental to achievement of the overriding objective of this Act.**

Powers of the  
Board of Trustees.

(2) Without limiting the generality of subsection (1), the Board of Trustee shall have powers to—

(a) ensure or enforce compliance with policies, rules, regulations or orders prescribed under this Act;

(b) employ on such terms and conditions as it considers fit such persons as may from time to time be necessary for discharging its functions and, with the approval of the Member of the Executive Committee, to pay such remuneration, allowances and other benefits to such employees as may be reasonable in the circumstances; and

(c) establish such committees or departments for the better carrying out of its functions under this Act as it may deem fit.

(3) The Board of Trustees shall establish offices in all sub-counties in Busia County

11. (1) The Board of Trustees may establish such sub-committees as it may consider necessary for

the better performance of its functions and the exercise of its powers under this Act.

(2) The Board of Trustees may co-opt into the membership of a sub-committee established under subsection (1), such persons whose knowledge and skills are found necessary for the performance of the functions of the sub-committee.

(3) The Board of Trustees may, by resolution either generally or in any particular case, delegate to any sub-committee or to any member, officer, employee or agent of the Committee, the exercise of any of the powers or the performance of any of the functions of the Board of Trustees under this Act or under any other written law.

12. (1) Subject to subsection (2), the business and affairs of the Board of Trustees shall be conducted in accordance with the Schedule.

Conduct of affairs  
of the business of  
the Board of  
Trustees.

(2) Except as provided in the Schedule, the Board of Trustees may regulate its own procedure.

13. (1) Subject to this Act, the Board shall appoint the Chief Executive Officer of the Fund through competitive recruitment, on such terms and conditions as the Board may fix.

Chief Executive  
officer.

(2) The Chief Executive Officer and shall be an *ex officio* member of the Board with no right to vote at any

meeting of the Board and Shall be the secretary to the Board of Trustees.

(3) The Chief Executive Officer shall, subject to the direction of the Board of Trustees, supervise and manage the Authority's staff, activities, funds and property, and shall be responsible for the day to day management of the programmes and activities of the Board of Trustees.

### **PART III—FUNDING OF AND DISBURSEMENTS**

**14. (1) The Fund shall comprise —**

Fund composition.

- (a) sums of money which may from time to time be voted by the County Assembly for that purpose;
- (b) income from any investment made by the Fund;
- (c) any sums of money borrowed by the Fund with the approval of the County Assembly; and
- (d) any gifts, donations, grants and endowments made to the Fund.

(2) There shall be paid out of the Fund any expenditure approved by the Member of the Executive Committee and incurred in connection with the administration of the Fund.

**15. (1) The Board of Trustees shall approve all disbursements from the Fund.**

Disbursement  
from the Fund

(2) All disbursements from the Fund shall be for specific projects as approved by the Board of Trustees.

(3) All disbursements shall be made directly to the bank account opened for this purpose by each beneficiary and in accordance with the agreement/contract between the Fund and the Beneficiary.

(4) The Board of Trustees shall set out conditions and requirements for release of funds.

**16. All receipts, savings and accruals to the Fund and the balance of the Fund at the end of each financial year shall be retained for the purposes for which the Fund is established.**

Funds to be  
retained in the  
Fund.

**17. (1) Projects under this Act shall be community-based in order to ensure that the prospective benefits are available to a widespread cross-section of the**

Projects to be  
community based.

inhabitants.

(2) Any funding under this Act shall be for a complete project or a defined phase, of a project and may include the acquisition of land and buildings.

(3) All projects shall be projects as defined under this Act and may include costs related to studies, planning and design or other technical input for the project but shall not include recurrent costs of a facility.

(4) Funds provided under this Act shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.

18. (1) All project proposals that seek to benefit from the Fund shall be submitted by a potential beneficiary to the Chief Executive Officer in such form and detail as shall be prescribed;

Submission of  
Projects.

(2) The types of projects submitted for funding under this Act shall comply with the provisions of this Act and in particular, meet the objectives stipulated in Section 4 of this Act.

19. (1) Agricultural officers at the Sub-County, Ward and Village level shall ensure the implementation of all projects funded under this Act as shall be prescribed.

Project  
implementation.

(2) Where a particular project covers several sectors, the Chief Executive Officer shall order the formation of an inter-departmental team at the Sub-County, Ward or village level to coordinate the optimal and efficient implementation of the project as may be prescribed.

(3) The Chief Executive Officer shall monitor the implementation of projects under this Act to ensure compliance with the provisions of this Act.

(4) The Chief Executive Officer may delegate the power under subsection 3 to such officers as may be prescribed.

20. (1) All payments for projects to be funded under this Act shall be made through cheques or otherwise shall be processed and effected in accordance with national government regulations for the time being in force.

Project payments  
and ownership of  
property.

(2) All fixed and movable assets, including equipment bought under this Act shall be the property of the Fund to be insured in the name of the Fund.

(3) No asset or equipment acquired under this section shall be disposed of without the prior approval of the Board of Trustees.

(4) Any proceeds that may accrue from the disposal of any asset acquired pursuant to subsection (3) shall be credited to the account of the Fund.

**21. (1)** This Act does not apply to projects funded wholly by donor institutions.

Exemption of donor funded projects.

(2) Board shall apply donor funding requirements and regulations for the implementation of all projects under subsection (1).

**22. (1)** The Board shall, not later than six months after the end of each financial year, prepare an annual report in respect of that financial year, containing:

Annual Report.

- (a) the audited financial statements;
- (b) the report on the operations of the Fund; and
- (c) any other information the Member of the Executive Committee may require.

(2) The annual Report shall be presented to the Member of the Executive Committee who shall table it before the County Assembly within three months after receiving the Report.

**23.** The Fund shall be audited and reported upon by the Auditor-General in accordance with the provisions of the Public Audit Act 2013.

Audit.

#### **PART IV—MISCELLANEOUS**

**24.** Board of Trustees shall the Chief Executive Officer and staff of the Fund such salaries and allowances as shall be determined by the County Public Service Board.

Salaries and allowances.

**25. (1)** The Member of the Executive Committee shall in consultation with the Board of Trustees make regulations generally for the better carrying out the provisions of this Act, and without prejudice to the foregoing, may make regulations in respect of the

Power to make regulations.

following—

- (a) the receipt, processing and approval of project proposals and the granting of loans to applicants;
- (b) the preparation and maintenance of records for all projects funded under this Act; and
- (c) public surveillance of projects funded under this Act ; and

(2) The regulations under this Act shall be approved by the County Executive Committee and the County Assembly before they take effect.

26. (1) The provisions of this Act shall be complementary to the development efforts by the County

Government or a National Government institution or agency.

(2) Nothing in this Act shall be interpreted to mean that a project Funded under this Act may be excluded other development programmes by the County, Government or any other agency.

## **SCHEDULE SECTION 12 (1)**

### **PROVISIONS AS TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD OF TRUSTEES**

1. (1) The Board of Trustees shall meet at such place in Kenya as the chairperson may determine and the meetings shall be convened by the chairperson.

(2) The Board of Trustees shall have at least six meetings in every financial year and not more than three months shall elapse between one meeting and the next meeting.

(3) Unless three quarters of the members otherwise agree, at least seven days' notice in writing of a meeting shall be given to every member by the Chief Executive Officer.

(4) The chairperson may, at his discretion or at the written request made by at least half of the members of the Board of Trustees and within seven days of the request,

convene an extraordinary meeting at such time and place and he may appoint.

(5) Meetings shall be presided over by the chairperson or in his or her absence by the vice-chairperson.

(6) The members of the Board of Trustees shall elect a vice- chairperson from among themselves-

(a) at the first sitting of the Committee; and

(b) whenever it is necessary to fill the vacancy in the office of the vice-chairperson.

(7) Where the chairperson or vice-chairperson is absent, the members shall appoint from among themselves, a person to chair the meeting of the Committee.

(8) The Board of Trustees may invite any person to attend any of its meetings and to participate in its deliberations, but such person shall not have a vote in any decision of the Committee.

2. (1) If any person has a personal or fiduciary interest in a project, proposed contract or any matter before the Committee, and is present at a meeting of the Board of Trustees at which any matter is the subject of consideration, that person shall as soon as is practicable after the commencement of the meeting, declare such interest and shall not take part in any consideration or discussion of, or vote on any question touching such matter.

Conflict of  
interest.

(2) A disclosure of interest made under subparagraph (1) shall be recorded in the minutes of the meeting at which it is made..

3. (1) Subject to subparagraph (2), the quorum of the meeting shall not be less than half of the appointed members of the Committee.

Quorum.

4. Where the persons present at a meeting of the Board of Trustees do not constitute the quorum necessary to hold a meeting under this Act or where by reason of exclusion of a member from a meeting, the number of members present falls below the quorum necessary to hold a meeting, the Board of Trustees shall postpone the consideration of the matter in question until there is a

quorum.

5. A question before the Board of Trustees shall be decided by simple majority of the members present and voting and the chairperson shall, in the case of an equality of votes, have a casting vote.

Voting.

6. The Board of Trustees shall—

Rules of Procedure  
and minutes.

- (a) determine rules of procedure for the conduct of its business; and
- (b) keep minutes of its proceedings and decisions.

**MEMORANDUM OF REASONS & OBJECTS**

The Bill has been submitted by the Member of the Executive Committee responsible for agriculture. The Bill seeks to establish to establish the County Agricultural Development Fund to finance the agricultural sector in the County growth by supporting strategic farming interventions with high potential for enhancing productivity, value addition, quality improvements and marketing.

Article 4 sets out the specific objectives of the Fund as follows—

- (a) provide funding for eligible intervention to cover the mainstream agricultural sector;
- (b) promote county agricultural productivity and marketing through strengthening producer organizations, streamlining and facilitating bulk supply of inputs to farmers, pastoralists and fisher folks including fertilizers, seeds, agro-chemicals, animal breeding, animal drugs and feeds, AI services and fishing gears among others;
- (c) gather, package and disseminate agribusiness-related information pertaining to key elements of the value chain across various sector enterprises including but not limited to agronomic and market information;
- (d) develop core and high impact irrigation infrastructure such as community boreholes, dams, shallow wells and water pans;
- (e) develop appropriate storage, bulking and market facilities in strategic areas with potential for increased agricultural production and or marketing;
- (f) promote core value-addition infrastructural development-e.g. Electricity and water facilities;
- (g) provide occasional subsidization of key inputs such as seeds, agro-chemicals, fertilizers, AI services, animal drugs and vaccines whenever high and sudden price hikes are experienced;
- (h) promote high value agricultural, livestock and fisheries products such as oil crops, newly emerging high value crops e.g. zero grazing, aquaculture and ornamental fish farming among others;

Article 5 establishes the County Agricultural Development Fund Board of Trustees body corporate with perpetual succession and common seal, capable of—

- (a) holding and disposing of any kind of property;
- (b) suing and being sued in its corporate name; and
- (c) doing all such other things as may be incidental or conducive to the exercise of performance of its functions under this Act.

Article 6 provides that the County Agricultural Development Fund Board of Trustees shall comprise—

- (a) the County Chief officer in the county department for the time being responsible for agriculture or his representative appointed in writing;
- (b) the County Chief officer in the county department for the time being responsible for finance or his representative appointed in writing;
- (c) the Head of legal services in the county or a representative appointed in writing; and
- (d) a Chief Executive Officer appointed under section 13 who shall also be the Secretary of the Board; and
- (e) three persons, one of whom shall be the Chairperson of the Board of Trustees, not being public officers, who shall be appointed by the Member of the Executive Committee through a competitive and transparent recruitment process.

Article 9 provides the functions of the Board as follows—

- (a) provide the strategic guidance and oversight to the Fund;
- (b) implement the policies of the county government on agricultural sector funding;
- (c) ensure that all projects funded under this Act are consistent with the counties priorities specified in the relevant policy documents on County agricultural development and financing;
- (d) authorise allocations from the Fund ;
- (e) formulate and approve standards, guidelines and procedures for funding under this Act,
- (f) approve the organizational structure of the Fund;
- (g) provide oversight in the utilization of the Fund; and
- (h) perform any other function as may be conferred on it by this Act or any other written law
- (i) approve annual work-plans and budgets of the Fund;

- (j) advise the county government on any of the matters contained in this Act; and
- (k) perform any other function as may be conferred on it by this Act or any other written law.

Article 13 provides for the appointment of the Chief Executive Officer of the Fund through competitive recruitment, on such terms and conditions as the Board may fix.

Article 14 provides that the Fund shall comprise —

- (a) sums of money which may from time to time be voted by the County Assembly for that purpose;
- (b) income from any investment made by the Fund;
- (c) any sums of money borrowed by the Fund with the approval of the County Assembly; and
- (d) any gifts, donations, grants and endowments made to the Fund.

Article 15 contains the disbursement criteria. All disbursements from the Fund shall be for specific projects as approved by the Board of Trustees.

Article 17 provides that the Projects to be funded shall be community-based in order to ensure that the prospective benefits are available to a widespread cross-section of the inhabitants.

Article 19 contains provisions for project implementation by Agricultural officers at the Sub-County, Ward and Village level.

Article 25 gives the Member of the Executive Committee, in consultation with the Board of Trustees, power to make regulations generally for the better carrying out the provisions of the Act, and without prejudice to the foregoing, may make regulations in respect of the following—

- (a) the receipt, processing and approval of project proposals and the granting of loans to applicants;
- (b) the preparation and maintenance of records for all projects funded under this Act; and
- (c) public surveillance of projects funded under this Act; and

The regulations shall be approved by the County Executive Committee and the County Assembly before they take effect.

The enactment of the Bill shall occasion additional expenditure of public funds which shall be provided for in the County Government of Busia estimates.

Dated the 29th January, 2014.

CHARLES WAKHUNGU,  
MCA Chairperson,  
*Agriculture Committee of the County Assembly of Busia.*