
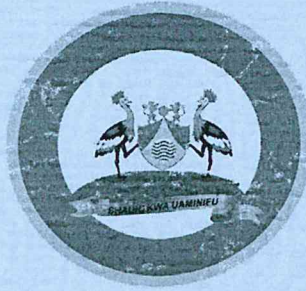


GOVERNMENT OF NAIROBI CITY COUNTY

Papers laid
by Hon. Odalo
on 13/3/24




THE NAIROBI CITY COUNTY ASSEMBLY

OFFICE OF THE CLERK

THIRD ASSEMBLY

(THIRD SESSION)



NCCA/TJ/PL/2024(12)

13TH MARCH, 2024

PAPER LAID

SUBJECT: Committee Report

Pursuant to provisions of Standing Orders 196(6) and 227(4), I beg to lay the following Paper on the Table of the Assembly, today Wednesday, 13th March, 2024: -

— THE 5TH REPORT OF THE SELECT COMMITTEE ON COUNTY FINANCE, BUDGET AND APPROPRIATIONS ON THE CONSIDERATION OF THE NAIROBI CITY COUNTY FISCAL STRATEGY PAPER AND THE DEBT MANAGEMENT STRATEGY PAPER FOR FY 2024/2025 AND OVER THE MEDIUM TERM

(Chairperson, Select Committee on County Finance, Budget & Appropriations)

Copies to:
The Speaker
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COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY – THIRD SESSION

**15TH REPORT OF THE COUNTY ASSEMBLY FINANCE, BUDGET AND
APPROPRIATIONS COMMITTEE**

ON

**THE NAIROBI CITY COUNTY FISCAL STRATEGY PAPER AND THE DEBT
MANAGEMENT STRATEGY PAPER FOR THE FY 2024-25 AND OVER THE
MEDIUM TERM**

MARCH, 2024

8. Hon. Esther Waithera Chege, MCA
9. Hon. Susan Mukungu, MCA
10. Hon. Paul Ndungu, MCA
11. Hon. Jane Wanjiru, MCA
12. Hon. Asli Mohamed, MCA
13. Hon. Jane Muasya, MCA
14. Hon. Redson Otieno, MCA
15. Hon. Sam Kago, MCA
16. Hon. Perpetua Mponjiwa, MCA
17. Hon. Fathiya Abdillahi, MCA
18. Hon. Ciciliah Wairimu, MCA
19. Hon. Rosemary Masitsa, MCA
20. Hon. Jackoniah Onyango, MCA
21. Hon. Joyce Muthoni, MCA
22. Hon. Jane Waruguru, MCA
23. Hon. Collins Ogenga, MCA

Mr. Speaker Sir, the Select Committee on Finance, Budget and Appropriations Committee is one of the Committees of the Nairobi City County Assembly established under Standing Order 199 mandated to among others; -

- a) investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget;*
- b) discuss and review the estimates and make recommendations to the County Assembly;*
- c) examine the County Fiscal Strategy Paper presented to the County Assembly;*
- d) examine Bills related to the county budget, including Appropriations Bills; and*
- e) evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlay.*

Examination of the County Fiscal Strategy Paper and the Debt Management Strategy Paper for the FY 2024-25

Mr. Speaker Sir, the Finance, Budget and Appropriations Committee keeping in line with the tradition of its predecessors scrutinized the DMSP and the CFSP together as to confirm that the strategies put forth in management of debt are correctly aligned to the fiscal direction being pursued by the County Government as espoused.

Mr. Speaker Sir, during the deliberation on the County Fiscal Strategy Paper and the Debt Management Strategy Paper for FY 2024-25, the Committee received submissions from the County Executive Committee Member responsible for Finance, heard requests from the various Sectors through their respective County Executive Committee Members, from the Secretary to the County Assembly Service Board, considered reports submitted by the Chairs of Sectoral Committees, considered written submissions from Members of the public as well as synthesized the views received during the public participation exercise on the CFSP. The submissions from the respective stakeholders have informed the Committee in coming up with this report.


Acknowledgment

Mr. Speaker Sir, in coming up with this report, I wish to convey my sincere tribute to the following:

- a) Members of the County Assembly who through their respective Sectoral Committees went the extra mile to ensure that this important task is completed;
- b) The Members of the Finance, Budget and Appropriations Committee who reviewed the strategies, scrutinized through the Sectors' priorities and made determination on the budget ceilings for both the County Government and the County Assembly;
- c) Offices of the Speaker and the Clerk of the County Assembly for the support and services extended to the Committee while considering the CFSP and the Debt Management Strategy Paper for 2024-2025;
- d) The County Executive led by the County Executive Committee Member for Finance for taking time to present to the Committee their rationale for the proposals;
- e) The County Assembly Budget Office which analyzed and summarized the two papers for both the Sectoral Committees and the Budget Committee; and

- f) The Clerks of Sectoral Committee who offered support to Sectoral Committees during the consideration of this report.

Mr. Speaker Sir, its my pleasant duty and honor on behalf of the Finance, Budget and Appropriations Committee to table this Report on the examination of the County Fiscal Strategy Paper and Debt Management Strategy Paper for FY 2024-25 and recommend it to the Assembly for adoption.

Signed.......... Date.....13/03/2024.....

Hon. Wilfred Odalo, MCA

Chairman: Finance, Budget and Appropriations Committee

II.SCRUTINY OF THE DEBT MANAGEMENT STRATEGY PAPER FOR THE FY 2024-25

- 1. Mr. Speaker Sir,** on debt management the paper reports that pending bills increased by 8% in the previous financial year thereby implying a deceleration compared to a similar period in the previous financial year. The overall stock of the County debt is indicated at Kshs. 107.33billion representing an increase by about Kshs. 8billion from the Kshs. 99.37billion reported in 2021-22. The County proposes to deal with debt through expenditure capping, debt audit, timely remittance of statutory deductions, debt restructuring, debt swaps, debt write offs, reduction of legal fees among others. The Committee observed that these strategies are recurring in the DMSPs approved in the County Assembly with both the CFSP and the DMSP 2024 failing to highlight the successes of previous strategies implemented. In summary, the presented DMSP indicates that as at the end of June 2023, the greatest increases have been recorded in amounts owed to supplies which increased by Kshs. 4.5billion, staff arrears increased by over 400% to stand at Kshs.890million while statutory deductions increased by Ksh.2.5billion. The Committee noted that the County Assembly has through various approvals in the budget endeavored to allocate resources towards settlement of pending financial obligations, status of which has not reflected in the changes in debt figures reported in the CFSP or DMSP and that one of the measures to settle debt is the call for realistic revenue targets and expenditure projections. The extent to which the paper has lived within this outlay may need to be determined based on previous factual data and trends.
- 2. Mr. Speaker Sir,** in a bid to balance the county debt, the paper reports that the account receivables stand at Kshs. 1.4trillion compared with the Kshs. 1.5trillion reported by the end of June 2022 implying a fall by about Kshs. 100billion majorly reported under land rates. The proposed strategies to deal with the amounts include debt swaps, negotiations, robust debt collection methods, waivers, issuance of agency notices. The Committee observed that the debt paper has fallen short of reporting on the reason for the fall in account receivables and that the DMSP 2024 has not moved an inch from what the DMSP 2015 intended to roll out as a cure to the ballooning outstanding obligations. The Paper still intends to rely on

revenue enhancement, expenditure capping, debt/assets swap, debt restructuring and debt write offs as a mechanism of cleaning the County's debt portfolio and the Committee avers that the implementation matrix without an accurate action may just be another compliance check.

III.SCRUTINY OF THE COUNTY FISCAL STRATEGY PAPER FOR THE FY 2024-25

3.1. INTRODUCTION

1. **Mr. Speaker Sir**, the provisions of Standing Order 227 of Nairobi City County Assembly requires that the report of the Finance, Budget and Appropriations Committee on the County Fiscal Strategy Paper shall include a schedule of overall projected revenue and ceilings recommended for the County Government, and County Assembly and where necessary the total sums of each Vote and the allocations for each programme for the fiscal year in question. The consideration of the County Fiscal Strategy Paper for the coming financial year shall therefore focus on delivering the strategic priorities for the various sectors as well as the accompanying budgetary ceilings.
2. **Mr. Speaker**, the key role of the County Assembly in allocation and distribution of the scarce county resources cannot be gainsaid. **Mr. Speaker Sir**, in coming up with the Paper the underpinning law requires that the County Treasury shall seek and take into account the views of the Commission on Revenue Allocation, the National Treasury, and members of the public among other relevant stakeholders. These consultations are aimed at ensuring that the County has sound fiscal projections and reasonable strategies for implementation of the budget. In previous resolutions, the County Assembly has insisted that evidence of such consultation be submitted to the County Assembly for its information. Once again the Committee noted that the information was not attached and hence recommends that the same be made available in subsequent budget documents.
3. **Mr. Speaker Sir**, Parts III of the PFM Regulations 2015 provide a number of issues to consider during the preparation and approval of the CFSP for any financial year.

In summary, the provisions provide the following among others: -

- i. Expenditure on wages and salaries shall not exceed 35% of total county revenues;*

- ii. The County public debt shall never exceed 20% of county governments total revenue at any one time;*
- iii. The approved expenditures of the CA shall not be more than the lower of 7% of total county revenues or twice personnel emoluments (overridden by recurrent ceilings approved by the Senate in the County Allocation of Revenue Act)*
- iv. County Government expenditure on development shall be not less than 30% of total county budget;
and*
- v. The ceiling for the development and personnel spending of the County government budget shall be approved by the County Assembly and shall be binding for the next two budget years.*

4. The CFSP for 2024 has been divided into 5 parts with Chapter I providing rationale behind financial planning and the legal framework underpinning the preparation of the Fiscal Strategy Paper for the fiscal period 2024/2025. The Chapter also outlines the methodology employed in preparation of the CFSP as well as its role in the annual budget calendar.
5. **Mr. Speaker Sir**, the second chapter gives an overview of the macro-economic policy framework and summarizes the Global Economic Prospects/outlook of the County in relation to the national and Internal sphere. The Chapter recognizes the desire for Nairobi County's performance which plays a significant influence on the country's general performance since its singly the largest contributor to the country's economy at 27.5% of the Gross County Product and well- being and calls for concerted effort together with the national government to ensure that Nairobi City County satisfactorily achieves its mandate. The Paper appreciates that the success of Nairobi City County is a success for the whole Country and everyone has a stake and a responsibility to ensure provision of a smooth launching pad for the intended strategies and priorities.
6. **Mr. Speaker Sir**, Chapter III discusses the County's guiding philosophy in the fiscal year 2024-25 with robust undertaking to build on the gains of the first year of implementing the CIDP 2023-27 to achieve a City of order, dignity, hope and opportunities for all. The focus is to complete ongoing projects and align all aspirations to the County's development agenda. The Chapter has also highlighted achievements for various County departments over the FY 2022-23 and the first half of the FY 2024-25 with mitigating measures likely to bump the budget implementation roadmap also proposed. The CFSP indicates that in the

coming financial year the County Government shall prioritize policies on expenditure management, ensuring value for money procurement, strengthening internal financial controls, management of County wage bill to fall below the 35% legal threshold, full implementation of debt management strategy paper and vigorous resource mobilization strategies. The CFSP 2024 therefore proposes a raft of policy, operational, and institutional reforms as a precondition for providing adequate services, and a favorable ecosystem for growth and investment. Due to the prevailing economic conditions, the paper seeks to continue county economic recovery for inclusive growth, therefore sustaining the bottom up economic transformation agenda as contained in the Budget Policy Statement 2024.

7. **Mr. Speaker Sir**, Chapter IV details the Resource and Expenditure Framework 2022/23 - 2023/24. This chapter outlines the County's guiding policy on expenditure, the resource envelope, expenditure and revenue projections. It also outlines the broad strategic and development priorities as well as the policy goals that the sectors will be pursuing for the FY 2024/25 and over the medium term. To improve the fiscal space, non-discretionary expenditure has been given priority, while at the same time a reduction of non-essential expenditure has been explored as a methodology to free up more resources for development in the medium term. Allocation towards development is at 30 percent, an attempt towards rejuvenating the development momentum of the city and catapulting it to be a globally competitive city in the medium term. The Chapter has also outlined the challenges facing optimal realization of revenues from the key revenue streams and proposed action points to be implemented as an ingredient to realize the budget of Kshs. 41.6billion. Lastly the Chapter has taken walk down memory on previous budget performances.
8. **Mr. Speaker Sir**, Chapter V provides for the Fiscal Responsibility and Fiscal Risk and sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. In line with Section 107 of the PFM Act, 2012 the Paper has identified county revenues vs expenditures, absorption of development budget, county wages, county debt and levies as deterrents to the full compliance to the fiscal responsibility principles. It also highlights on the diverse risk that faces the County in discharging its constitutional mandate as well as corresponding antidotes that would nip such risks in the budget.

3.2. REVIEW OF COMPLIANCE OF THE COUNTY FICAL STRATEGY PAPER 2024-25 TO THE PREVAILING LEGISLATION

9. **Mr. Speaker Sir**, the need for accountability and reporting on utilization of public resources is well anchored in various laws. The County Assembly is mandated to verify that budget documents submitted to the County Assembly have met the statutory threshold set by the such statutes. One of the key requirements is that for thorough engagement with the public to reflect their needs, thorough consultation with each sector on their priorities and approval of the document by the County Executive Committee. Such engagements are essential in giving life to the document as well as ownership by all the stakeholders that it is meant to serve and benefit. To this end, whereas the Paper asserts that there was some level of consultation, the Committee couldn't once again confirm with utmost certainty whether these were done as the evidence of such consultation was not provided.
10. **Mr. Speaker Sir**, Section 125(2) of PFM Act, 2012 requires that the County Executive Committee member for finance shall ensure that there is public participation in the budget process. The paper has stated that the public and other stakeholders were consulted in the coming up with the document but failed to provide details of their submissions including how the same were incorporated in the final CFSP. Once again, the Committee continues to reiterate that all budget documents should contain submissions from all stakeholders and analysis on how the various views were incorporated.
11. **Mr. Speaker Sir**, on the timelines for submission of the CFSP to the County Assembly, the Committee noted during the consideration of the CFSP that the paper was submitted within the required timeline of 28th February 2024. However, the Committee could not ascertain the extent of involvement of the respective CEC members of the different Sectors during the preparation of the paper as there were no attachment to the submitted document showing that such engagement indeed took place.
12. **Mr. Speaker Sir**, provisions of Section 117 of the PFM Act require that the CFSP specifies the broad strategies and policy goals that will guide in budget preparation; financial outlook

with respect to County Government revenues; expenditures and borrowing for the next financial year and the medium term, the total resources to be allocated to individual programmes and projects within the various sectors in the County; the proposed expenditure ceilings for the two arms of government; statement of fiscal risks and their effects on policy assessment of current state of county economic environment. Whereas the Committee commends the County Treasury for having provided information on the above in the submitted CFSP, challenges still remain in ensuring that the County's expenditure on wages and salaries fall below 35% of total revenues and that the County public debt does not exceed 20% of total revenues.

3.3. BUDGET CEILINGS FOR THE FY 2024-25

13. Mr. speaker Sir, the CFSP has outlined the funding structure of the budget for the coming financial year by providing projected figures for the various revenue streams, maximum expenditure numbers for each of the Sectors and prioritization criteria in allocation of resources. The CFSP indicates that there shall be sustained allocations for earmarked funds like Wards Development Programme, Emergency Fund and the rolling out of the Bursaries Programmes.

14. Mr. Speaker Sir, this fiscal strategy paper concretizes the agenda of this regime by pinpointing strategies and priorities that will be implemented by sectors. A nexus between sector priorities, expectations of Nairobians and the Governors manifesto has been established all converging towards the fiscal objectives expressed herein. Consequently, apportionment of resources has been channeled towards high impact projects which align to the expressed needs. Adequate resources have been set aside for construction of stadia and markets while at the same time improvement of service delivery and provision of support and care to vulnerable groups has been prioritized through initiatives targeting the school feeding programme, free ECDE, support for the aged, bursaries and scholarships. Mobility and safety will also be improved through road maintenance and opening up new roads and installation of security lights. On the resource allocation criteria, the CFSP asserts that the County Government shall prioritize mandatory expenditure, ongoing projects, allocation towards development and counterpart funding, linkages to CIDP, ADP and

manifesto, Sector priorities, debt service obligation and public input which are recommendation by stakeholders that will shape the policy direction to be implemented in the 2024-25 Budget.

15. Mr. Speaker Sir, the overall County budget for the FY 2024-25 is projected to be Kshs. 41.57billion out of which Kshs. 29.1billion shall be directed towards recurrent while Kshs. 12.47billion shall be for development expenditures. The projected budget implies that the overall budget is projected to decrease by Kshs. 760million compared to the annual budget for the FY 2023-24. Out of this projected expenditure, personnel emoluments is projected to consume Kshs. 18.4billion or about 44% of the overall budget. The budget for the County Assembly is projected at Kshs. 3.24billion, a figure equal to the budget of the current financial year.

16. Mr. Speaker Sir, to ensure the county implements inspectorate and investigative services, supports Boroughs & Sub County Administration and improve effectiveness of the Internal Audit & Risk Management department, quick response to disasters, ensure smooth running of the Office of the Governor, Boroughs and Public Administration is expected to utilize Kshs. 4.56billion. The Finance and Economic Planning Sector which is mandated to ensure prudent public Finance management has been allocated a total budget of Kshs. 3.47billion. The County Assembly in its desire to achieve its triplet role of legislation, oversight and representation, has a resource requirement of Kshs. 3.24billion.

17. Mr. Speaker Sir, the County Treasury has proposed to allocate Kshs. 536million for Disaster Management and Coordination and Kshs. 351million as Appropriation- in- Aid towards the Liquor Licensing board. On the Ward Development Programmes, there is proposed allocation of Kshs. 2.02billion translating to Kshs. 23million per Ward. The budget for delivery of the critical health function is proposed at Kshs. 9.22billion with Kshs. 7.97billion set aside for recurrent while Kshs. 1.25billion is meant for development.

18. Mr. Speaker Sir, in the coming financial year, the County purposes to enhance revenue collection through robust revenue mobilization strategies, operationalization of the Nairobi

City County Asset management policy, cleaning audit issues, ensure coordinated development planning and budgeting, tracking implementation of development policies and maintenance of a proper statistical data. The internal revenues for FY 2024-25 is projected at Kshs. 20.06billion an increase of about Kshs. 70million from the amounts contained in the annual budget estimates for the FY 2023-24.

19. Mr. Speaker Sir, past revenue performance indicates that the County Government has never hit Kshs. 12billion in terms of internal revenue collection since the rolling out of the devolved system of Government. As at December 2023 the County had collected Kshs. 3.81billion being 19% of the amounts anticipated to be collected in the entire financial year. The Committee is of the view that effective implementation of the documented strategies meant to enhance revenue collection is paramount for the County to realize the internal revenue target of Kshs. 19.99billion in the current financial year.

20. Mr. Speaker Sir, in this regard therefore, to ensure that the Sectors ceilings are realistic and within most achievable resource envelop, the Committee would be making recommendations on the same to this House for adoption.

3.4. SUBMISSIONS FROM THE MEMBERS OF THE PUBLIC

21. Mr. Speaker Sir, the provisions of Article 196 (1) (b) of the Constitution and the County Assembly Standing Orders require that the Assembly shall consider the views of the public in its legislative process. To satisfy these provisions, the County Assembly placed adverts on the newspapers of Friday 1st March 2024 calling on members of the public to submit their views on the CFSP. The public participation on document was undertaken on Thursday 7th March 2024 across the various sub counties with relevant documents submitted to the public and uploaded on the website for access by Members of the public. The submissions by the Members of the public have been taken into account in this report.

3.5. SUBMISSIONS FROM SECTORAL COMMITTEES

22. **Mr. Speaker Sir**, the provisions of Standing Order 205 (6) and 227 (4) decree that the Budget Committee shall invite Chairpersons of all Sectoral Committees to make presentation during consideration of the budget. In this process, the Sectoral committees of the County Assembly have an integral duty of not only ensuring that the resources allocated to departments within their watch are sufficient for the intended sector priorities but also to confirm to this Assembly that there is value for money in all such endeavor. Further the Sectoral Committees are expected to validate the sector achievements and the viability of any mitigating measures. After considering the contents of Paper in line with their respective mandates as outlined in Standing Order 227, the Committees are then required to submit their recommendations to the Finance, Budget and Appropriations Committee. In this regard, therefore the Budget Committee commends all those Sectoral Committees who diligently reviewed their sector programmes, priorities and budget ceilings for the FY 2023-24.

23. The following were some of the recommendations of the Sectoral Committees:

A. Health Service Committee

- That the strategic priorities for the Health, Wellness and Nutrition Sector be approved as contained in the CFSP for the financial year 2024/25;
- The Sector’s recurrent budget be increased by **Kshs. 4,643,000,000** and **Development budget be increased by Kshs. 1,700,000,000** as follows: -

Request	Recurrent (Ksh)	Development (Ksh)
Establishment & Operationalization of PCNs	150,000,000	
Health commodities	2,000,000,000	
Additional CHP stipends	15,000,000	
Fuel for ambulances, incinerators, generators, utility vehicles etc.	130,000,000	
Emergency services	250,000,000	
Additional for other programs- HIV, TB, malaria, community health services environmental health, health policy, etc.	500,000,000	

Development projects		1,000,000,000
TOTAL	3,065,000,000	1,000,000,000
School Feeding Programme	Recurrent	Development
320,000 learners @25 x 191	1,528,000,000	
Central Kitchen		500,000,000
Other Civil Works		200,000,000
Recurrent	50,000,000	
TOTAL SCHOOL FEEDING	1,578,000,000	700,000,000
GRAND TOTAL	4,643,000,000	1,700,000,000

- That new ceilings for the Health, Wellness and Nutrition Sector be approved as proposed as Kshs 12,688,743,242 for recurrent and Kshs 2,952,000,000 for development arising from the above incremental.
- That the following development projects for the Health, Wellness and Nutrition Sector be approved and implemented in the FY 2024/2025 as **per annexure 1**.

B. Lands, Planning and Housing Committee

- That the Assembly approves priorities and strategies for Built Environment and Urban Development Sector;
- That the Assembly approves budget ceilings for Built Environment and Urban Development Sector as below with additional Kshs.68million being Kshs.30million for recurrent and Kshs.38million for development:

Sub-Sector	CFSP Recurrent	CFSP Development	Proposed Recurrent	Proposed Development	Grant
	Kshs. Millions				
Urban Development and Planning	381	88	381	118	-
Lands	26	97	50	97	
Housing and Urban Renewal	26	30	40	30	847

TOTAL	433	215	471	245	847
Total CFSP			1,495		
Total Proposed			1,563		
Variance			68 million		

C. Water and Sanitation Committee

- That the ceilings for the Water and Sewerage be approved as Kshs.44million for recurrent expenditure and kshs.215million for development expenditures.
- The Sub Sector of Water and Sanitation be added additional recurrent budget of Kshs. 100million to facilitate the completion of pending Water and Sanitation Policy, Bill and Regulations, completion of sewer and sanitation revolving fund Policy, Bill and regulation and for recruitment of technical staff.
- On capital projects, Water and Sewerage Sub Sector be given an additional Kshs. 600 million to facilitate the installation of Water and sanitation infrastructure in Dishu na County kitchens, Repair and maintenance of 246 boreholes owned by the county, Post-Covid Water and Sanitation Budgetary Support, Climate Resilience in Water and Sanitation Infrastructures and Payment of pending bills for Nairobi Water.

D. Labour and Social Welfare Committee

- That the Department of Youth Affairs is requesting an additional Kshs. 12million only for Policy Development and Youth Capacity Building at the Borough level, as such, be approved as proposed;
- That the PSM Sector requests for addition funding of **Kshs. 2,063,000,000** as highlighted in the table below on various programmes, be approved as proposed;

COMPILATION OF PRIORITY PROGRAMS/PROJECTS

	Priority Programs/Projects	Allocation 2023/24	Ceiling FY2024-2025	Proposed 24/25	Difference Additional Funding Required	Remarks
1.	Personnel Emoluments	238,540,799	309,000,000	309,000,000	0	
2.	Retirees	100,000,000	100,000,000	300,000,000	200,000,000	Request for the additional Difference
3.	Collective Bargaining Agreement	0	0	300,000,000	300,000,000	Request for the additional Difference
4.	Construction of Training School	30,000,000	100,000,000	100,000,000	0	
5.	Executive Car Loan & Mortgage	100,000,000	0	500,000,000	500,000,000	Request for the additional Difference
6.	Medical Insurance	1,565,000.000	1,493,000,000	2,200,000,000	837,000,000	Request for the additional Difference
7.	WIBA G.P.A And OSHA	85,000,000	00	130,000,000		
8.	Medical Refunds and Ex Gratia	21,000,000	89,000,000	50,000,000	226,000,000	Request for the

9.	Equipping and Renovating Wellness Centre Highridge Clinic	0		15,000,000		additional Difference
10	Capacity Building of Staff	61,400,000		120,000,000		
11	Digitization of Staff Cards	8,500,000		10,000,000		
12	Purchase of Vehicles	0		20,000,000		
13	Other Operating Expenses			50,000,000		
		2,209,440,799	1,991,000,000	4,054,000,000	2,063,000,000	

— The **County Public Service Board** request a review on sector budget ceiling to consider additional funds of **Kshs.168M** (Recurrent Kshs. 137million and Development Kshs. 31million), be approved as proposed herein;

Program		Sub-Programme	Request FY 2024/2025	Ceiling	Additional Funds
Personnel Emoluments			41M	44M	(-3M)
General Admin, Planning &	Recurrent	Board Charter & Strategic Plans Review	10M	80M	160M
		Succession Planning Policy Development	15M		
		Recruitment	60M		
		Promotions/Appeals	15M		
		Disciplinary Control	15M		
		Synchronization and synergy	40M		

Support Services		Promotion of values and principles of governance	45M		
		Stakeholder engagement	40M		
	Development	Utility Vehicles	21M	10M	11M
Total Budget			302M	134	168

- The County to provide adequate funding for the Sectors in order to ensure implementation of planned activities.
- That the Gender & Inclusivity sub sector requests for additional funding to the tune of Kshs. 385million in order to avoid stalling of programmes and projects in place and continuity of current projects and programmes that touch on the very vulnerable members of the Communities.
- That the family & social welfare division sub sector request for additional fund of Kshs. 15.5million for development approved as proposed. The sector organogram has been approved and aligned and it deals with care and protection for older person and family welfare issues.

E. Agriculture, Livestock and Fisheries Committee

- That the following be approved as the strategic sub-sector priorities for the Food and Agriculture Sub-Sector;
 - 1) General Administration Planning & Support Services
 - 2) Urban Agriculture Promotion and Regulation
 - Crop Development and Management
 - Livestock Resources management and development
 - Fisheries Development and management
 - Kenya Business Dev Project (KABDP)
 - National Agricultural Value Chain Dev Project (NAVCDP)

- 3) Veterinary Services
- 4) Food System & Sector Programme
- 5) Forestry and Agriculture Land Use

— The Sub-Sector’s recurrent budget be increased by Kshs **255,422,260** being Kshs. 185,422,260 for Personnel to facilitate recruitment of 100 technical staff (Kshs. 86,044,738) and 81 internal promotions (Kshs. 99,377,522), Kshs. 50,000,000 for operations towards Sub Sector Mandate for Crops, Forestry, Livestock Production, Fisheries, veterinary Services and Food Systems and Kshs. 20,000,000 – for payment of utility bills – electricity, water and lifts for Nyayo House Offices.

— That the ceilings for the Food and Agriculture Sub-Sector be approved as proposed as Kshs. **549.42million** being Kshs. 425.42million and Kshs. 124million for recurrent and development expenditures respectively.

— That the following development projects for the Food and Agriculture Sub- Sector be approved and implemented in the FY 2024/2025;

Projects	2023/24 Projects		2024/25 Proposed projects	
	Target	Cost (Kshs)	Target	Cost (Kshs)
1) Acquire vehicles	2	18,960,000	1	6,000,000
2) Establishment of multi-storey /cone	2000	11,000,000	0	-
3) Installation of hydroponics (vegetable) (1.5M x 6M) Unit installed for youth and women	0	0	34	12,000,000
4) Installation of green houses and water harvesting tanks	9	10,000,000	10	10,000,000
5) Installation of water harvesting structures (underground reservoirs, tanks) for crop production	1	5,000,000	3	5,500,000
6) Construction of poultry (broilers) units & stocking	17	20,000,000	17	30,000,000

7) Construction of fish ponds	15	20,000,000	-	-
8) Establishment of model fish farms	-	-	6	10,000,000
9) Completion of Animal Clinic	100%	20,000,000	100%	25,000,000
10) Installation of food waste equipment in food markets	7	14,000,000	7	20,000,000
11) Establish tree Nurseries	1	5,000,000	1	5,500,000
Total		123,960,000		124,000,000

F. Trade, Tourism and Cooperatives Committee

— That the Finance, Budget, and Appropriations Committee approves the programmes and initiatives for the Business and Hustler Opportunities Sector as outlined in the tabled County Fiscal Strategy Paper 2024/250 and further consider taking into account the tenable increments shown in the table in this report that highlights the additional resources details.

Programme	ALLOCATED CEILINGS (Kshs. M)				PROPOSED ALLOCATION (Kshs. M)				
	PE	O&M	Dev't	Total Budget	PE	O&M	Dev't	Total Budget	Additional Funds Request
Business and Hustler opportunities	524	89	194	807	-	275.7	450	725.7	81.3
Markets and Trade	-	26	1126	1152	-	311.5	3,433	3745	2,592.30
Cooperatives	-	26	0	26		99.9	24	123.9	97.9
Administration and support	-	-	-	0	897	393	40	1330	433
Total	524	141	1,320	1,985	897	1,080	3,947	5,027	3204.5

G. Justice and Legal Affairs Committee

- That the following policy measures be initiated under the Boroughs and Sub-County Administration Sector in the FY 2024/25 to improve budget execution,
 - i. The Sector implements and finalizes previously budgeted projects before initiating new ones;
 - ii. Partner with other government agencies and corporate organizations to reduce financial burden to the County;
 - iii. Ensure realization of the projected and targeted revenues;
 - iv. Enhance Monthly and quarterly reviews of programmes implementation; and
 - v. Reduce accumulation of legal fees and decrees
- That the Boroughs and Sub-County Administration Sector’s priorities be approved as stated in the CFSP.
- That the office of the County Attorney be allocated Kshs. 150million to facilitate law review process.
- That the Office of the Governor be allocated Kshs. 91million to cater for consultancy services on external resource mobilization (Green Bond).
- That the coordination of all donor engagements be undertaken by the Office of the Governor through the Donor and Stakeholder Engagement Directorate to improve accountability.
- That all conveyancing functions and attendant budgetary allocations be domiciled in the Office of the County Attorney.
- That the Sector be allocated Kshs. 250million for procuring of Governor residence
- That the ceilings of the Boroughs, Sub-County Administration and Personnel Sector be approved as proposed;

Sub-Sector		Recurrent	Development
County Secretary & Head of County Public Office	CFSP Ceiling	179 million	121 million
			250M (Governor’s residence)
	Sector proposal Ceiling	739.32 million	619 million
	Difference	560.32M Million	498 million

Office of County Attorney	CFSP Ceiling		15M
	Personnel emoluments	87M	
	O&M	44M	
	Sector proposal Ceiling	1,444,000,000	65M
	Difference	1,313,000,000	50M
Sub Sector – Boroughs & County Administration	CFSP Ceiling		400M
	Personnel emolument	546M	
	Operations	89M	
	Sector proposal		720M
	Personnel emolument	1,050,337,820	
	Operations	400,000,000	
	Difference		
	Personnel emoluments	504,537,820	320 million
	Operations	311,000,000	
Office of The Governor	CFSP Ceiling	269M	0
	Sector proposal Ceiling	830M	
	Procure 2 vans		24M
	Green Bond		91M
	Difference	561M	115M
Internal Audit	CFSP Ceiling	93 million	5 million
	Sector proposal Ceiling	149 million	15 million
	Difference	56 million	20 million
Security and Compliance	CFSP Ceiling	44 million	105 million
	Sector proposal Ceiling	295 million	268 million
	Difference	251 million	163 million

H. Children, Early Childhood Education and Vocational Training Committee

- The Sectors priorities be approved as proposed in CFSP;
- The sector budget ceiling be increased as follows Kshs. 232million for the recurrent and Kshs. 350million for development budget to cater for ongoing projects, new projects and pending bills.

I. Energy and Information Communication Technology Committee

- That the ceilings of the Innovation and Digital Economy Sector be approved as Kshs.175million for Digital Economy and Startups with Ksh.125million and Kshs. 50million being for recurrent and development respectively, Kshs.439million for ICT infrastructure with Kshs.199million for recurrent and Kshs.239million for development and Smart Nairobi being allocated Kshs.362million comprising Kshs.109million for recurrent and Kshs.253million for development.

J. Transport and Public Works Committee

- Adopt Sector specific approach during the preparation, consolidation and submission of planning documents;
- Adopt a collaborative working strategy with the County treasury in order to prepare and submit harmonized and coherent planning documents that contain financial and non-financial data;
- Upward review of the Budget ceilings to cater for stalled and new projects in the Sector;
- Expedient procurement and financial processes for quick payments to mitigate pending bills and stalled projects;
- Approves the programmes for the Mobility and Works Sector as contained in CFSP FY 24/25; and
- Approve Kshs 1.9billion being the ceiling for recurrent expenditure while review the development ceiling from upwards by Kshs.8.83billion from Kshs 2.9billion to Kshs. 11.73billion to cater for stalled projects in the wards.

K. Environment and Natural Resources Committee

- The following policy measures be initiated under the environment and natural resources subsector in the FY2024-25 to improve budget execution;
 - Partner with other government agencies and corporate organizations to reduce financial burden to the county
 - Ensure realization of the projects and targeted revenues

— That the ceiling of the current budget for environment and natural resources sub sector be approved as proposed below;

Programme	Sub-Programme				Resource Requirements/ additional funding request
					2024/25
		Current FY 2023/24	Allocated CBROP	Allocated CFSP 2024/25	
P1:1001005310 General Administration & Support Services	1001015310 Sp1 General Administration & Support Services	1,086,039,622	1,086,039,622	1,803,000,000	1,291,786,842
	Operations - Hqs	10,000,000	10,000,000	71,000,000	162,660,317
Programme 1 Total		1,096,039,622	1,096,039,622	1,874,000,000	1,454,447,159
P2:1002005310 Environment Management and Protection.	1002035310 Solid Waste Management (Collection and Transportation)	550,000,000	550,000,000	428,000,000	2,314,233,600
	1002035310 Solid Waste Management (Final Disposal)	550,000,000	550,000,000	428,000,000	1,404,764,382
	1002045310 Beautification, Recreation and	30,000,000	30,000,000	-	50,000,000

	Greening Services				
	1002055310 Environment planning				
	Management Services (Environmental Monitoring Compliance & Enforcement)	20,000,000	20,000,000	-	30,000,000
	1002055310 Environment planning Management Services (Climate Change and Air Quality)	42,000,000	42,000,000	-	69,728,000
Programme 2 Total		1,192,000,000	1,192,000,000	856,000,000	5,323,173,141
Conditional grant				11,000,000	
Environment TOTAL		2,288,039,622	2,288,039,622	2,741,000,000	5,323,173,141

— That the ceilings of the development budget for the Environment and Natural Resources sub-sector be increased by Kshs.491million from Kshs. 206million to Kshs.697million being Kshs 278,000,000 for procurement of hardcore for improving access roads, Kshs. 143,000,000 for constructing a perimeter wall around the office at Dandora dump site, Kshs. 27,000,000 for renovation of Lagos Road solid waste management depot, Kshs. 54,000,000 for equipping of environmental lab, Kshs.

37,000,000 for petrification of Jevanje gardens and Kshs 25,000,000 for construction of a ramp and installation second weighbridge at Dandora dump site.

L. Ward Development Fund Committee

- The Committee consider enhancing the recurrent budget by Kshs.55million and that of development by Kshs. 4,251,843,427
- The Committee approves the projects as proposed in the ADP subject to confirmation by the Members of the County Assembly representing the Wards;
- The allocation for Ward Development Fund be increased to Kshs. 27 million per Ward.

M. Culture and Community Services Committee

Liquor Licensing Board

- That, the Committee approves Kshs. 351 million towards execution of its core mandate of controlling and regulation of consumption, sale, manufacture, distribution and advertisement of alcoholic drinks in the County
- That the Committee approves additional funds of Kshs. 80million to meet the recurrent expenditure of running rehabilitation centers be approved in the Fy2024/25, although it was missing in the CIDP.
- That the Committee allocates resources for development of Liquor Policy and regulations.
- That the Committee allocated funds for purchases of vehicle under Liquor Licensing Board be knocked off the plan.
- That the Committee approves the allocation of Kshs. 30 million for construction of Liquor Offices and Kshs. 27 million for construction of a new rehabilitation centre be done in the coming Financial Year 2024/25.

Disaster Management and Coordination

- The Committee approves that Gikomba and Kangemi be included as the project location for the 2No. Construction of Fire stations;
- That the Disaster Management and Coordination sector in the first half of the FY 2023/2024 prioritizes the review and amendment of the Disaster Management Act, 2015

to align the said Act with the Public Finance Management Act Emergency Fund regulations;

- The Committee approves allocation of Kshs. 350,000 million towards Emergency Fund in order to ensure that the revolving fund is always replenished and managed in line with the Public Finance Management Act, 2012;
- That the Committee approves upward review of Disaster Management and Coordination ceiling from Kshs. 586 million (Additional Kshs.49million); Comprising of Development Kshs. 165million and Recurrent Kshs.421 million.

Youth, Talent and Sports

- That the Committee approves the priorities and strategies for Youth, talent and sports be approved as contained in the CFSP;
- The Committee approves Kshs. 690million as the Sub – sector ceiling out of which Kshs. 40 be earmarked for recurrent expenditure and Kshs.650million be earmarked for capital expenditure;
- The Committee approves allocation of Kshs. 50million towards Kenya Inter – County and Cultural Association (KICOSCA) Games and development of sports policy;
- The Committee approves additional Kshs. 2.5million to facilitate acquisition of library books and material; and
- The Committee approves Kshs. 10.65million for acquisition of equipping two teams with sporting kits per ward.

Public Participation, Citizen Engagement and Customer Service & City Culture, Arts & Tourism

- That the Committee approves priorities and strategies for Public Participation as contained in the CFSP; and
- The Committee approves Kshs. 186million towards recurrent expenditure
- The Committee approves additional Kshs.30 million for Public Communication Truck for public awareness.

City Culture, Arts and Tourism

- That the Committee approves priorities and strategies for City Culture, Arts and Tourism be approved as contained in the CFSP; and
- That the Committee approves Kshs. 142 million sub- Sector ceiling out of which Kshs. 102 million be allocated for recurrent expenditure and Kshs. 40million be allocated for development expenditure.

Social Services

- That the Committee approves an additional Kshs.383million being Kshs. 90 million be done for Development and specifically in the FY 2024/2025, Kshs. 75 million for construction of Ruai street children centre, Kshs. 82 million for Children rehabilitation programmes, Kshs. 41.75 million be done in regards to community programmes, Kshs. 73 million for community development projects and Kshs. 21million for Control of drugs and pornography

IV.GENERAL OBSERVATIONS ON THE FISCAL STRATEGIES AND THE BUDGET CEILINGS

24. Mr. Speaker Sir, the Finance, Budget and Appropriations Committee during the process of consideration of the CFSP held discussions with the County Treasury, Chairs of Sectoral Committees and the various Sectors in a bid to come up with the specific sectors priorities and ceilings. The Committee during the deliberations made numerous observations that this section of the report has endeavored to report as well as mechanism that could be employed to curb the gaps identified. Generally, the desire for allocation of more resources across sectors seemed to be a cross cutting issue among the sectoral submissions and the Committee having considered the resource envelope available would be recommending that some of the priorities be shelved with a view to have them considered in the subsequent financial year (s) should more resources become available.

25. Mr. Speaker Sir, the Committee noted that the submitted CFSP has not been themed making it difficult to determine the roadmap it wants to travel with resources being allocated unlike National Government Budget Policy Statement (BPS) 2024 themed as “*Sustaining*

Bottom Up Economic Transformation Agenda". The extent to which the Paper is aligned to the Budget Policy Statement could therefore not be determined despite the overall County budget for the FY 2024-25 being proposed to equal Kshs. 41.57billion.

~~26. Mr. Speaker Sir, the consideration of this CFSF has been undertaken at a time when the~~
County Assembly through the Ad hoc Committee on Revenue Systems and Administration is on the verge of presenting its findings on the bottlenecks to the County revenue collections and proposing a raft of measures that may be taken into consideration by those who are responsible of the county purse to ensure the County remains on the right trajectory in provision of services to its residents by collecting and availing the much needed resources. The Committee observed that in a bid to finance the proposed budget the County anticipates to collect Kshs. 20.06billion, receive Kshs. 20.3billion as equitable share plus an additional amount to the tune of Kshs. 781million as conditional grants. The Paper has proposed a number of extra revenue measures and alternative financing mechanisms to support the County budget operations including possible issuance of green bonds, public private partnerships, grants and donations among others. On the Green Bond the paper asserts that the County has been rated to have *"a satisfactory financial condition and adequate capacity to meet obligations as and when they fall due."* The paper has outlined a number a number of measures to bolster revenue collection including implementation of the Finance Act 2024, updating of the revenue database, venturing into the untapped revenue potential as well as revenue mobilization campaigns. The Committee noted that the call to update the revenue database has been in the offing for a long time and the synchronization of the finance act to the annual budget cycle ending on 30th June shall reinforce the Okiya Omtata ruling on revenue-expenditure budget review.

27. The Committee, **Mr. Speaker Sir**, was however taken aback by the Half Year Revenue and Expenditure Report from the County Treasury that showed that the County had only collected Kshs. 3.81billion as at 31st December 2023 against an annual target of Kshs. 19.99billion. Moreover, the status of roll out of majority of the conditional grants was indeterminate at the end of the half year while at the same time failing to document all the

conditional grants/additional allocations in the Paper with draft County Governments Additional Allocations Bill, 2024 projecting that the County shall receive Kshs. 351million as RMLF and Kshs. 175million for Community Health Promoters as part of national revenue Further, the draft Bill indicates that the County shall receive about Kshs. 1.1billion from development partners with about Kshs. 1billion due for KISIP II. The revenue figures have not anticipated any receipts from the RMLF and the Committee shall be proposing the necessary amendments to correct the same.

28. Mr. Speaker Sir, the Committee noted that issues of budget absorption especially for development budget remain unresolved. The Budget Policy Statement 2024 decries this trend and notes that Counties are continually shying away from spending resources on development with only 7 counties meeting the legal threshold in the previous financial year. The Half Year Revenue and Expenditure Report showed that out of allocation of Kshs.14billion earmarked for development initiatives only some Kshs.4.5billion translating to 33% had been committed.

29. Mr. Speaker Sir, the Committee noted that generally discretionary expenses are projected to fall compared to the amounts allocated in the current financial year. The Paper proposes to allocate Kshs.746million for pending bills, Kshs. 600million for school feeding programme, Kshs. 855million for solid waste management, Kshs.714.9million for bursaries and scholarships, Ksh.634million for KPLC bills amongst others. There is a projected fall on allocations for medical insurance at a time when staff payroll costs are projected to rise by about Kshs. 3billion while the projected allocation for garbage collection is anticipated to be Kshs. 45million less compared to the figures approved in the annual budget estimates for the current financial year with the annual development plan projecting that it costs about Kshs. 1.1billion to collect the 3200 tonnes of garbage generated daily. The allocation for emergency fund is projected to fall by about Kshs. 51million thereby falling to below Kshs. 200million mark despite the vote having utilized Kshs. 181million allocated this current financial year making the projected figure inadequate given past trends.

30. Mr. Speaker Sir, the budget ceilings projects that allocation for bursaries shall be Kshs. 715million being a reduction of about Kshs. 143million compared to the figures approved in the annual budget estimates for the current financial year. It is noteworthy that the County Assembly had resolved that the allocation for bursaries be increased by Kshs. 170million implying that the allocation has in real terms departed from this resolution by Kshs. 313million. The allocation for Liquor Board is projected at Kshs. 351million with Kshs. 294million being recurrent. The projected budget ceiling for the Liquor Board exceeds the figures contained in the report of the Culture Committee and approved by the County Assembly in the ADP. The approved figure stood at Kshs. 271million. The budget for the school feeding programme has been set at Kshs. 600million a figure that gravitates around there for the medium term. With a total allocation of Kshs. 1.1billion in the current financial a reduction by 50% at a time when the approved ADP projects enhanced school enrolment needs to be explained. The ADP report from the Health Committee had placed the total cost of the programme in the coming financial year at Kshs. 2.377billion consisting of Kshs. 1.877billion for recurrent and Kshs.500million for development inferring a Supplementary Budget could be in the offing even before the anticipated Budget estimates are approved.

31. In order to spur the County's infrastructural growth, **Mr. Speaker Sir,** the total development budget for Mobility and Works is projected at Kshs. 2.9billion. In the approved ADP the County Assembly had allocated Sector projects across the 85 wards an initiative that cannot be actualized with the projected allocations. The allocations mean the Sector budget is falling by Kshs. 400million. Likewise, the development allocation for the WDP is projected at Kshs. 1.955billion being equal to the figure appropriated in the annual budget for the current financial year. This therefore means that the ADP resolution of increasing the amounts to Kshs. 27million per ward has not been effected.

32. Mr. Speaker Sir, the paper projects that the transfers to the County Assembly for both recurrent and development shall be equal to the figures in the approved budget for the FY 2024-25. Independent report submitted by the County Assembly Service Board has placed the figures for the County Assembly at Kshs. 2.18billion for recurrent and Kshs. 1.3billion for

development implying that the ceilings have underestimated the Assembly budget by Kshs.251million. The proposed development priorities for the County Assembly need to be evaluated and how they link with the priorities contained in the approved budget estimates for the FY 2023-24. The priority areas for the County Assembly in the FY 2024-25 according to the approved ADP included construction of Ward Offices at Kshs. 300million, acquisition of County Assembly complex at Kshs. 750million, acquisition of Speakers residence at Kshs. 50million, digitization of County Assembly services and infrastructure at Kshs.190million and establishment of library and media center at Kshs. 20million. Previous reports indicate that whereas the County Assembly has requested for huge resources for development in the CFSP ceilings and annual estimates, supplementary budgets have been used to cut down the allocations thereby making the figures so requested nothing short of wishful thinking. The development allocation for the County has been fully aligned to the figure approved by the County Assembly through the Annual Development Plan 2024-25. However, considering that development priorities for the County Assembly have been rationalized in previous budgets, the extent of takeoff of knocked off priorities going forward cannot be determined.

33. Mr. Speaker Sir, the CFSP has provided the priority areas by indicating that in the coming financial year the County Government shall prioritize policies on expenditure management, ensuring value for money procurement, strengthening internal financial controls, management of County wage bill to fall below the 35% legal threshold, full implementation of debt management strategy paper and vigorous resource mobilization strategies. The Paper has proposed to manage the wage bill through pre- recruitment authorization, put on hold pending recruitments, skills audit, suspend further engagement of casuals, phased promotions, align future recruitments to an approved staff establishment, implement VER as well as place all staff on performance appraisal. The Committee noted that some of these progressive ideas have been at conception for the last decade without any progress being recorded.

V. RECOMMENDATIONS

a) POLICY MEASURES

Cross- cutting measures

1. That the Nairobi City County Government implements and finalizes previously budgeted for projects before initiating new ones
2. That the targets across all Sectors be harmonized to be in tandem with the resources available for their realization.
3. That going forward the Nairobi City County Government through the Procurement Department shall ensure that all procurement of good services is undertaken within the first quarter of any financial year.
4. That going forward, in order to facilitate (2) above, all preliminary activities related to procurement including feasibility studies, preparation of BQs, market surveys among others shall be undertaken prior to inclusion of development priorities in the draft budget estimates submitted to the County Assembly for approval.

County Treasury/ Finance and Economic Affairs Sector

1. That in compliance with the provisions of Section 127 of the Public Finance Management Act, 2012, the County Executive Committee Member for Finance shall submit to the County Assembly as part of budget documents required under Section 130 of the Public Finance Management Act, 2012 the Annual Cash Flow Plan segregated by quarters in the financial year.
2. That the County Treasury shall ensure that the County Government fully onboards to e-procurement in the FY 2024-25.
3. That the County Treasury lays including through enough capacity building of officers in readiness for the transition from cash to accrual accounting.
4. That the County Treasury initiates comprehensive audit of the authenticity of pending bills with a view of determining the actual stock of unpaid bills and that the report be shared with the County Assembly prior to the submission of the annual budget estimates for the FY 2024-25.

Public Service Management and County Public Service Board

1. That not later fourteen days after adoption of this report and prior to the formulation of the budget estimates for the FY 2024-25, the Public Service Management Sub Sector, the County Public Service Board and the County Treasury shall rationalize the costs for compensation of employees with a view of determining actual payroll expenses based on officers in post and include any savings as part of the ceilings contained in Schedule II of this report.
2. That the Public Service Management Sub- Sector and the County Public Service Board shall not later than 30th September 2024 submit to the County Assembly a report on the extent of implementation of the wage bill management strategies contained in the CFSP 2024.

Boroughs, Sub County Administration and Personnel

1. That the County Attorney, the Chief Officer for Finance and the Chief Officer responsible for Disaster Management immediately, an in case not later than three months after the adoption of this report, undertakes review of the Nairobi City County Disaster Management Act, 2025 and the PFM (Emergency Fund) Regulations with an aim of harmonizing their contents and getting rid of implementation challenges.
2. That all donor support, partnerships meant to augment budgets and conditional grants shall be managed in strict compliance with the provisions of Section 119 of the PFM Act, 2012 and Regulation 82 of the PFM (County Governments) Regulations, 2015.
3. That as part of the budget making for the FY 2024-25, the County Executive Committee Member for Health, Wellness and Nutrition shall facilitate the Director, Donor Coordination and Stakeholder Engagement with information on nature, quantum and conditions of all partnerships and extra budget support due to the Health Sector for the FY 2024-25.
4. That the County Treasury shall ensure that all grants, donations, partnerships and any form of budget support due to the County Government, including those in (3) above, are declared, budget for and appropriated in the budget for the FY 2024-25 in line with the provisions of law.
5. That the Office of the County Attorney shall ensure that all contractual arrangements meant to augment the county budgetary resources are reviewed and approved by the County Executive Committee before commencement of such engagements.

Ward Development Programmes

1. That the County Attorney and the Ward Development Fund reviews the Nairobi City County Ward Development Fund Act, 2014 to knock hindrances to implementation and propose necessary amendments for the County Assembly's consideration.

Public Participation

That all activities related to Public Participation be undertaken by the Sector on Inclusivity and Public Participation.

Green Nairobi

That all the water related projects be undertaken by the Nairobi Water and Sewerage Company in the coming financial year.

b) REVENUE PROJECTIONS

1. That in order to ensure timely consideration and approval of the Finance Bill, the same be submitted to the County Assembly together with the budget estimates for the FY 2024-25.
2. That the overall revenue figures be approved as contained in Schedule I

c) EXPENDITURE CEILINGS

1. That taking into consideration the following amendments on the individual Sector priorities and corresponding allocations, the revenue and expenditure ceilings on Schedule I and II attached to this report forms the basis for the FY 2024-25 budget.
 - a) That an additional allocation of Kshs. 50million be provided for Emergency Fund and the same be domiciled under the Disaster Management and Coordination Sector.
 - b) That the recurrent budget for the Education Sector be increased by Kshs. 143million for bursaries and scholarships.
 - c) That the development allocation for Education Sub Sector be increased by Kshs. 500million for construction of ECDE classrooms, completion of Ruai rehabilitation centre
 - d) That Kshs. 124million be allocated for legal related pending bills under the Office of the County Attorney.

- e) That the allocation for procurement of litter bins be increased by Kshs. 40million
- f) That the allocation for the County Assembly be adjusted as contained in the individual County Assembly submissions depicting an overall increase by Kshs. 251million with Kshs. 156million being for recurrent and Kshs. 95million being for development.
- g) That the recurrent allocation for Gender and Inclusivity be increased by Kshs. 20million.
- h) That Kshs. 120million be allocated for roll over projects under the Environment Sub Sector
- i) That the recurrent budget for the Food, Agriculture and Natural Resources Sub Sector be increased by Kshs. 20million for employment of meat inspectors.
- j) That the allocation for Digital Economy and Start Ups under ICT Sector be increased by Kshs. 20million for the Innovation Week.
- k) That the allocation for Lands Sub Sector be increased by Kshs. 120million consisting of Kshs. 60million for recurrent and Kshs. 60million for development.
- l) That the development allocation for the Office of the Governor be increased by Kshs. 100million for construction of the residence of His Excellency the Deputy Governor.
- m) That the allocation for ERP under Innovation and Digital Economy be increased by Kshs. 100million.
- n) That the development allocation for the County Public Service Board be reduced by Kshs. 10million
- o) That the development budget for the Agriculture Sub- Sector be reduced by Kshs. 90million
- a) That the development allocation for the Public Service Management be reduced by Kshs. 100million.
- b) That the development allocation for Inspectorate Services be reduced by Kshs. 90million.

d) Medium Term Debt Management Strategy

1. That the Assembly approves the debt management strategies underpinning the County Fiscal Strategy Paper 2024 and the budget estimates for the FY 2024-25 subject to the following: -

— The County Executive Committee Member for Finance shall develop and submit to the County Assembly a framework for settlement of pending bills.

— That the County Executive Committee Member for Finance shall prior to submission of the budget estimates for the FY 2024-25 submit to the County Assembly a report on the audited and verified historical pending bills.

Mr. Speaker Sir, in conclusion and pursuant to the provisions of Section 117 (6), Section 123 of the Public Finance Management Act 2012 and Standing Order 227 (7) the County Finance, Budget and Appropriations Committee recommends that:

“This County Assembly adopts the Nairobi City County Fiscal Strategy Paper for the FY 2024-25 and the Nairobi City County Debt Management Strategy Paper for the FY 2024-25”

**SCHEDULE 1. REVENUE PROJECTIONS FOR COUNTY FISCAL STRATEGY
PAPER FOR FY 2024-2025**

Revenue by Source	Approved Budget FY 2023/24	CFSP 2024/25 Tabled	CFSP 2024/25 Recommended
Equitable Share	20,072,059,113	21,156,544,797	21,156,544,797
Own Source Revenue			
Rates	7,030,000,000	6,750,000,000	6,750,000,000
Parking fees	3,000,000,000	3,000,000,000	3,000,000,000
Single business permit	3,000,000,000	3,200,000,000	3,200,000,000
Building permits & approvals	1,900,000,000	2,000,000,000	2,000,000,000
Billboards & adverts	1,200,000,000	1,250,000,000	1,250,000,000
Housing rents -eastlands & eote	605,400,000	600,000,000	600,000,000
Fire inspection cert	453,000,000	450,000,000	450,000,000
Food handlers cert	300,000,000	300,000,000	300,000,000
Regul./change /amalg/sub		150,000,000	150,000,000
Markets	560,000,000	560,000,000	560,000,000
Hospitals	270,000,000		
Liquor Licences	300,000,000	351,000,000	351,000,000
Other incomes	1,371,672,415	1,800,926,033	1,800,926,033
Sub-total OSR	19,990,072,415	20,411,926,033	20,411,926,033
Cash balances projection			
Total Revenues	40,062,131,528	41,568,470,830	41,568,470,830

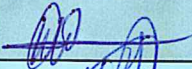


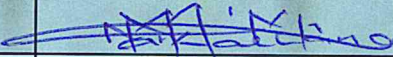
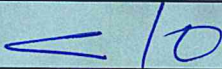
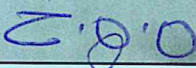
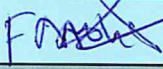

SCHEDULE 2. EXPENDITURE CEILINGS FOR COUNTY FISCAL STRATEGY PAPER FOR FY 2024-2025

VOTE	Programmes	Tabled CFSP Ceilings FY 2024-25			Committee Amended 2024-25			Budget Ceilings for FY 2024-25	
		RECURRENT	CAPITAL	TOTAL	RECURRENT	CAPITAL	TOTAL	RECURRENT	TOTAL
531100000 COUNTY PUBLIC SERVICE BOARD	County Public Service Board	124,479,604	10,000,000	134,479,604	123,911,430	-	123,911,430	-	123,911,430
531400000 FINANCE & ECONOMIC PLANNING	Finance Economic Planning	3,177,465,589 269,000,000	25,000,000 -	3,202,465,589 269,000,000	2,945,707,930 269,000,000	20,000,000 -	2,965,707,930 269,000,000	20,000,000 -	2,965,707,930 269,000,000
532000000 PUBLIC SERVICE MANAGEMENT	Public Service	1,891,240,226	100,000,000	1,991,240,226	1,887,288,740	-	1,887,288,740	-	1,887,288,740
532100000 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	Food Agriculture & Natural Resources	170,044,946	123,960,000	294,004,946	188,434,860	30,774,496	219,189,356		219,189,356
532200000 COUNTY ASSEMBLY	COUNTY ASSEMBLY	2,024,000,000	1,215,000,000	3,239,000,000	2,180,000,000	1,310,000,000	3,490,000,000		3,490,000,000
532300000 ENVIRONMENT, WATER ENERGY & NATURAL RESOURCES	Environment Water & Sewerage	2,740,960,060 44,000,000	206,040,000 215,000,000	2,947,000,060 259,000,000	2,717,923,382 44,000,000	170,000,000 41,400,000	2,887,923,382 85,460,000		2,887,923,382 85,460,000
532500000 WARD DEVELOPMENT PROGRAMMES	Ward Development Programmes	65,000,000	1,955,000,000	2,020,000,000	65,000,000	1,950,000,000	2,020,000,000		2,020,000,000
532700000 LIQUOR LICENSING BOARD	Liquor Board	294,000,000	57,000,000	351,000,000	294,000,000	57,000,000	351,000,000		351,000,000

532900000 BOROUGHS AND PUBLIC ADMINSTRATION	Office of County Secretary	554,307,085	121,000,000	675,307,085	549,512,950	270,000,000	819,512,950
	Internal Audit & Risk Management	93,333,124	5,000,000	98,333,124	92,702,950	10,000,000	102,702,950
	Office of Governor	269,000,000	-	269,000,000	269,000,000	-	269,000,000
	Security & Compliance	2,236,824,977	105,000,000	2,341,824,977	2,208,814,040	15,000,000	2,223,814,040
	Disaster Mgt & Coordination	521,143,739	165,000,000	686,143,739	567,875,620	135,000,000	702,875,620
	Boroughs & sub county administration	634,778,030	400,000,000	1,034,778,030	627,806,310	337,000,000	964,806,310
	Office of County Attorney	130,856,142	15,000,000	145,856,142	253,746,650	15,000,000	268,746,650
	Digital Economy & startups	153,791,175	-	153,791,175	172,674,850	-	172,674,850
	ICT	44,000,000	96,967,142	140,967,142	44,000,000	63,974,624	107,974,624
	Smart Nairobi	44,000,000	100,000,000	144,000,000	44,000,000	200,000,000	244,000,000
533200000 HEALTH WELLNESS & NUTRITION	Public Health	53,000,000	119,000,000	172,000,000	53,000,000	105,000,000	158,000,000
	Health facilities	107,000,000	849,604,005	956,604,005	107,000,000	944,907,837	1,051,907,837
	Medical Services	7,152,743,242	17,979,500	7,170,722,742	7,062,051,800	17,979,500	7,080,031,300
	Wellness, Nutrition &	653,000,000	266,000,000	919,000,000	653,000,000	-	653,000,000

	City Culture Arts & Tourism	102,345,340	40,000,000	142,345,340	92,345,340	50,000,000	142,345,340
	Gender and Inclusivity	26,000,000	20,000,000	46,000,000	46,000,000	20,000,000	66,000,000
	Revenue	453,188,370	100,000,000	553,188,370	451,985,199	100,000,000	551,985,199
5338000000 NAIROBI REVENUE AUTHORITY		29,097,929,581	12,470,541,249	41,568,470,830	29,097,929,581	12,470,541,249	41,568,470,830
TOTAL							

We the undersigned Members of the Finance, Budget and Appropriations Committee affirm that this is the approved report of the Committee on the Consideration of the County Fiscal Strategy Paper for the FY 2024-25 as adopted by the Committee on 13th day of March 2024

NAME	SIGNATURE
1) Hon. Wilfred Oluoch Odalo, MCA	
2) Hon. Emily Oduor, MCA	
3) Hon Anthony Kiragu, MCA	
4) Hon. Moses Ogeto, MCA	
5) Hon Mark Mugambi, MCA	
6) Hon. Jeckoniah Onyango, MCA	J.J.O
7) Hon. Catherine Apiyo Okoth, MCA	
8) Hon. Jane Muasya, MCA	JM
9) Hon. Redson Otieno Onyango, MCA	
10) Hon. Asli Muhamed, MCA	Am
11) Hon. Rosemary Masitsa, MCA	R.M.S
12) Hon. Perpetua Mponjiwa, MCA	P.M.D
13) Hon. Collins Ogenga, MCA	
14) Hon. Fathiya Abdillahi Mohamed, MCA	
15) Hon. Sam Kago, MCA	S.K.K.
16) Hon. Anthony Ngaruiya Jasho, MCA	
17) Hon Paul Ndungu, MCA	P.N
18) Hon Ciciliah Wairimu Njathi, MCA	C.W.N
19) Hon Waruguru Kanyi, MCA	kw.
20) Hon Joyce Kamau Muthoni, MCA	
21) Hon Waithera Chege, MCA	
22) Hon Susan Makungu, MCA	
23) Hon. Jane Wanjiru, MCA	J.W.

