

COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

THIRD ASSEMBLY – SECOND SESSION

7TH 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 2023-24 AND OVER THE
MEDIUM TERM

APRIL 2023

I.PREAMBLE

Mr. Speaker Sir, this is the first County Fiscal Strategy Paper (CFSP) that has been considered in this third Assembly of Nairobi City County. The CFSP intends to allocate resources for the County to implement the priorities and projects contained in the proposed Annual Development Plan for FY 2023-24.

Mr. Speaker Sir, in line with the provisions of Section 117 of the Public Finance Management (PFM) Act 2012 and Standing Order 227, the County Fiscal Strategy Paper for the FY 2023-24 was laid in the County Assembly on Thursday the 2nd day of March 2023. Having been laid, and in line with the provisions of Standing Order 227, the paper stood committed to the Sectoral Committees and the Finance, Budget and Appropriations Committee to consider and report in line with their respective mandates. The consideration of the CFSP for the coming financial year was stonewalled by the provisions of Section 125 of the PFM Act 2012 which dictate that planning shall inform budgeting hence the need to have in place an approved County Integrated Development Plan (CIDP) and the attendant Annual Development Plan (ADP) before approval of the fiscal strategies and budget ceilings.

Mr. Speaker Sir, it is worth noting that the provisions of Standing Order 227 (6) decree that the County Assembly approval of the motion on the report of the CFSP presented by the Budget Committee constitutes the County Assembly resolution setting forth the total overall projected revenues, the ceilings recommended for the County Government and County Assembly and where necessary, the total sums for each Vote and the allocations to individual programs for the fiscal year 2023-24.

Mr. Speaker Sir, the Members of the County Assembly Finance, Budget & Appropriations Committee who examined and made recommendations on the CFSP and the Debt Management Strategy Paper (DMSP) 2023 were as follows: -

1. **Hon. Wilfred Odalo, MCA** **Chairperson**
2. **Hon. Emily Oduor, MCA** **Vice - Chairperson**
3. **Hon. Antony Kiragu, MCA**

4. Hon. Moses Ogeto, MCA
5. Hon. Mark Mugambi, MCA
6. Hon. Catherine Okoth, MCA
7. Hon. Anthony Ngaruiya, MCA
8. Hon. Esther Waithera Chege, MCA
9. Hon. Susan Mukungu, MCA
10. Hon. Paul Ndungu, MCA
11. Hon. Robert Mbatia, 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 2023-24

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 2023-24, 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 considered the views received during the public participation exercise on the CFSP. The submissions from the respective stakeholders have been integrated as part of 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 2023-2024;
- 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 2023-24 and recommend it to the Assembly for adoption.

Signed.......... Date.....28/04/2023.....

Hon. Wilfred Odalo, MCA

Chairman: Finance, Budget and Appropriations Committee

II.SCRUTINY OF THE DEBT MANAGEMENT STRATEGY PAPER FOR THE FY 2023-24

- 1. Mr. Speaker Sir,** at the inauguration of the devolution the first County Government of Nairobi City inherited a debt estimated at about Kshs.36.3billion and between 2013 and 2017 the debt had swollen to Kshs.56.516billion. Previously considered debt management strategy papers attribute this growth on non-remittance of statutory deductions, non-payment of suppliers and legal creditors and related penalties. The tabled DMSP shows the County debt as at 30th June 2022 stood at Kshs. 99.37billion which consist of Kshs.77.5 billion verified debt and Kshs.21.8 billion non-verified. This represents an increase by over Kshs.20 billion over the previous nine months compared to an increase by Kshs. 2.2 billion as at 31st December 2020. The figures indicate that over the past year the County managed to settle some pending bills to the tune of Kshs.1.05 billion and the committee urges the County Treasury to provide continuous update on progress towards the settlement. With regard to pending bills, BPS 2023 indicates that the OAG audited bills worth Kshs. 156.18billion out of which bills worth Kshs. 48.13billion were found to eligible while Kshs. 108.05billion worth of pending bills were found to be ineligible. Over the last one year the Nairobi City County Government is reported to have settled pending bills worth Kshs. 975million leaving a balance of Kshs. 9.63billion worth outstanding eligible pending bills.
- 2. Mr. Speaker Sir,** as at June 2017 the total Account Receivables stood at Kshs. 298.185billion being a rise from the 208.9billion in 2016 and Kshs. 147.3billion in 2015. The DMSP 2023 indicated that the amount owed to the County Government had ballooned to Kshs. 1.48trillion with almost 99% of the amount being Land Rates arrears. The paper once again proposes debt swap as a measure to clear some of the debts together with the implementation of the Nairobi City County Revenue Administration Act, 2021 among other strategies. The County has in the past fronted similar strategies to collect the outstanding debt without success and it is therefore doubtful whether majority of the debts are actually collectable.

3. **Mr. Speaker Sir**, on the KCB loan the DMSP reports that the balance of the loan which was at Kshs. 3.3billion had hit Kshs. 4.5billion as at 30th June 2022. The reports recommends that an annual budgetary allocation be made towards settling the loan which would otherwise dent the County's credit worthiness. In the DMSP 2021 the County had purposed to settle the KCB loan through debt restructuring and review of the repayment plan with a framework proposed to settle Kshs. 55million monthly thereby closing the debt books with KCB in eight years that being a departure from the previous repayment plan of Kshs. 141million monthly while the DMSP 2022 proposed to commence the Kshs. 55million monthly payment but also auction all idle assets and furniture and the proceeds realized used to reduce the loan. Of course it is not worthy that the previous Budget Committee vetoed the idea of swapping County Assets for unpaid debts as that had the risk of making the County Government the overall loser in any such undertaking. The DMSP 2023 remains silent on the strategies for settling the loans with the County strategies for settling the said liability continuing to be a moving target over the years. The Committee has insisted on the department responsible for debt management that the County Government cannot continue pussyfooting on the issue of resettlement of pending financial obligations.
4. **Mr. Speaker Sir**, in summary the DMSP 2023 has not moved an inch from what the previous DMSPs 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. Further, the Committee shall be keen on the effects of the strategies that have been rolled out in the current financial year with a view of determining whether to change course or to stick to them in the coming financial year. The measures include enhanced allocation for settlement of pending bills at Kshs. 1.4billion, audit of legal related pending bills and fidelity to approved budgets and procurement plans. In this report the Committee shall specifically be recommending that the County Treasury develops and submits to the County Assembly a framework for settlement of pending bills.

III.SCRUTINY OF THE COUNTY FISCAL STRATEGY PAPER FOR THE FY 2023-24

3.1. INTRODUCTION

5. **Mr. Speaker Sir**, Standing Order 227 of Nairobi City County Assembly requires that the report of the Budget Committee on the County Fiscal Strategy Paper contains 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.

6. **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.

7. **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.*

8. Mr. Speaker Sir, the presented County Fiscal Strategy Paper for the FY 2023-24 is divided into five chapters. Chapter one gives background information on the County Government and most importantly the legal framework underpinning the preparation of the CFSP as well as the reasoning for the its preparation. The second part details the macroeconomic indicators domestically and globally and their impact on the County’s economy. The third Chapter opens the lid by appreciating the impact of the decelerating global and local economic performance on the County following the lifting of the COVID-19 measures in 2020. It further reviews the three aspirations of the County being – a city of order, a city of dignity and a city of hope and opportunity for all as contained in the CIDP 2023-2027 and chapter finally outlines policy statements toward the 2023-24 budget. The fourth chapter documents the review of the County Revenue and Expenditure performance over the period 2019/20 to mid-2022/23 as well as the strategies that shall be employed to put the County back on the path to progress with targeted development being at the cornerstone of that ideology. Chapter five offers a brief highlight on the implementation of the fiscal responsibility principles and the fiscal risks that are associated with the presented outlook. The chapter also outlines the resource ceilings expected to be utilized by the Sectors to undertake their strategic priorities for the FY 2023-24.

3.2. REVIEW OF COMPLIANCE OF THE COUNTY FICAL STRATEGY PAPER 2022-23 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 confirm with utmost certainty whether these were done as the evidence of such consultation was not provided.

10. **Hon. Speaker**, 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 2023. However, as has been pointed out, this being a transition regime the same could not be put to a vote before the County Assembly has dispensed with the County Integrated Development Plan and the Annual Development Plan as required by the provisions of Section 125 of the PFM Act, 2012. The County Assembly relied on the provisions of Section 90 of the PFM Act 2012 to extend this deadline awaiting consideration and approval of the two important plans.

11. **Hon. Speaker**, the underlying theme for the CFSP 2023 is “*County Economic Recovery for Inclusive Growth*”. The County intends to put more effort on ensuring that it recovers from the post pandemic negative economic outlook, global downward recession escalated by the tension in Russia and Ukraine as well as the overall shrinking economic growth globally. The Paper also appreciates that the County is coming out of a general election which is normally characterized by slow economic mobility and restrained movement of goods and services. In the scrutiny of the submitted Annual Development Plan for the coming financial year, the Committee noted that to fund the plan which is largely development in nature the County would require to the tune of Kshs. 80billion a figure that is almost twice the ceilings proposed in the submitted CFSP. In the past the Committee has been doubtful if at all the ADP has any pivotal role on the moving jigsaw of the County budget process and questions in this regard have been recasted in this financial year. The cure for development is the need for planning to inform budgeting. The submitted CFSP has endeavored to outline the Governor's Manifesto with focus on areas that would help realize the objectives in the manifesto but

measure to actualize economic recovery and inclusive growth need to be made more prominent. The Committee has pointed out the same to the County Treasury as an area of improvement in future fiscal papers.

12. Mr. Speaker Sir, the CFSP has documented the macroeconomic factors that are likely to direct and alter the forecasted revenue and expenditure outlook. The Paper indicates that over the medium term the County's is expected to grow at decelerating rate, inflation as measured by the Consumer Price Index is expected to maintain an upward trajectory while the maturity of external debt, trade deficits and high import bills expected to put pressure on the shilling against the US Dollar. Further the County shall continue to monitor the monetary policies to appreciate their effects on access to credit for SMEs within Nairobi County as well as attraction of foreign direct investment and the public private partnerships as anticipated in the CIDP. It is noted that the Paper has not attempted to project the Gross County Product to the period relevant to the lifetime of the CFSP but undertakes to navigate the tough suffocating economic space nationally and globally to put the County on the path to recovery. Keeping alive to the theme of the BPS 2023 is "Bottom-up Economic Transformation Agenda for Inclusive Growth" the paper has proposed a number of interventions to grow the economy from bottom up including allocations for SMEs, enhanced provisions for Ward Development Programmes (WDP), earmarking resources for school feeding programme among other interventions.

3.3. BUDGET CEILINGS FOR THE FY 2023-24

13. Mr. Speaker Sir, the CFSP has enumerated 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. On the allocation criteria the Paper asserts that focus shall first be given to non-discretionary expenditure with personnel costs expected to consume about Kshs. 17.09billion of the overall budget and allocation towards development and counterpart funding shall also get priority to ensure that the County does not lose out on resources that are meant to fund

specific programmes in specific sectors. Further the County intends to give emphasis to the Governor's Manifesto with significant resources set aside for school feeding programme, construction of stadia, construction of markets, roads and public lighting, tree planting as well as bursaries and scholarships. Indeed, the priorities in the proposed CIDP 2023-27 will remain the cornerstone to guide the allocation of resources, take into account views from the public while remaining alive to the requirements of the fiscal responsibility principles.

14. Mr. Speaker Sir, the overall County budget for the FY 2023-24 is projected to be Kshs. 40.77billion comprising of Kshs. 28.78billion for recurrent and Kshs. 11.99billion for development expenditures. Out of this allocation, the Health Wellness and Nutrition Sector will receive the lion's share of Kshs. 9.95billion, Boroughs Administration and Personnel Sector will get Kshs.9.08 billion, Kshs. 3.25billion will go towards the County Assembly operations, while Kshs. 2.027billion has been set aside for the operations of the WDP. To support garbage collection and guarantee a clean environment, the Environment Sub Sector has been allocated a total ceiling of Kshs. 2.98billion. The setting up of the boroughs administration as well as continued operations of the Sub County Administration is expected to consume about Kshs. 2billion.

15. Mr. Speaker Sir, in the FY 2023-24 the County Assembly has been granted an overall ceiling of Kshs. 3.25billion consisting of Kshs. 1.84billion for recurrent and Kshs. 1.41billion for development programmes. With the proposed ceiling, the County Assembly budget for the FY 2023-24 would decrease by about Kshs. 231million compared to the amounts approved in the first supplementary budget for the FY 2022-23. The resource framework provided projects a figure of Kshs. 19.78billion as equitable share a figure that is expected to be firmed up through the County Allocation of Revenue Bill 2023.

16. Mr. Speaker Sir, the CFSP has provided the priority areas for the sectors in the FY 2023-24 with the **Health Sector** looking forward to establish and operationalize the school feeding programme for learners in public primary schools and ECD Centers, establish cancer treatment center at Mama Lucy Kibaki Hospital, promote emergency and referral services as well as

establishing 1no. satellite human milk bank at Pumwani Maternity. The Sector has also identified mental issues as a challenge and they have undertaken to draft a mental health bill for consideration by the County Assembly. Under the **Mobility and Works Sector**, focus shall be on pedestrian safety and connectivity through expansion of road network, drainage, and foot bridges. Further, the Transport Sector shall focus on construction of public transport facilities, upgrading of the traffic management system and reducing congestion. In this regard the Sector purposes to enhance road safety through construction of 30km of road, construction of 2 transport facilities, pedestalization of streets, improvement of junctions and installation of asphalt plant at Nanyuki Road. To undertake this crucial task, the sector has been allocated a total Kshs. 3.59billion comprising of Kshs. 1.09billion for recurrent expenditure and Kshs. 2.49billion towards development programmes.

17. Mr. Speaker Sir, The **Built Environment and Planning Sector** shall prioritize provision of decent, affordable, and adequate housing, promotion of orderly urban development, upgrade informal settlements as well as efficient survey of properties. The sector will also focus to expand of County's ratable properties base, ensure efficient development of approval process, regularization of unauthorized buildings, increase lands surveys, GIS expansion and integration, manage county land properties and regulation of outdoor advertising and signages. The sector's allocation in the coming Financial Year will capped at Kshs. 358million all for recurrent expenditure. The Committee in its review of the CIDP and ADP noted that the Sector had a number of development priorities that it intended to undertake in the coming financial year whose resources have not been provided.

18. Mr. Speaker Sir, The **Green Nairobi Sector** which constitutes the Food & Agriculture, Environment as well as Water & Sanitation sub-sectors shall pursue improvement of solid waste management with employment of efficient waste collection, transportation, recycling and civic education to the public on waste management, provision of safe water for all, greening of the city through tree growing, promote tree growing, carry out 4420 no of animal health surveillance mission, install 7no. of food waste equipment in food markets and ensure sustainable agricultural land use. The proposed CFSP has allocated the sector a total of Kshs. 3.53billion

out of which Kshs. 3.14billion is for recurrent programmes while Kshs. 395million is earmarked for development priorities.

19. Mr. Speaker Sir, to revitalize the image of the County Government through its key resource which is the human beings and ensure that the achievement of the Governor's Manifesto is supported by the motivated workforce the **CPSB** has been allocated Kshs. 137million with **PSM** having an additional resource limit of Kshs. 1.9billion. The Finance and Economic Planning Sector which is mandated to ensure prudent public finance management has been allocated a total budget of Kshs. 6.09billion inclusive of the **Ward Development Programme** which has now been moved to this sector. The Committee has once again emphasized to the County Treasury on the need for the Finance Sector to religiously report on how it has helped the County ensure there is fiscal discipline in management of public resources, adherence to approved budgets, inventory management, ensuring compliance with accounting standards as well as promoting effective use of public resources.

20. Mr. Speaker Sir, **Talent, Skills Development and Care Sector** has prioritized increasing access and retention to quality ECDE Centers by rehabilitating 44no. ECDE Centers, construct 100no. classes for ECDE Centers, provide bursary and scholarships to 107,000 needy students, construct 2 ultra-modern social halls, rehabilitate 29 social halls undertake outreach activities among other priority areas. The CFSP proposes an allocation of Kshs. 2.48billion representing Kshs. 1.96billion for recurrent expenditure and Kshs. 519million for development.

21. Mr. Speaker Sir, strategic priorities for **Business & Hustler Opportunities Sector** in the coming financial year include increased MSEs financing, capacity development for MSEs, establishment of one incubation centre for startups and equipping of one common user facility. The Sector also purposes to develop policies on betting and gaming, have a vibrant cooperative sector, construct 4 new modern markets, build 800 no kiosks, rehabilitate 3 existing markets, brand the new markets, construct 1 nursing unit for women traders. The Liquor Board on the other side anticipates to organize retreats to facilitate monitoring of liquor planning documents

in addition to training of liquor board staff. The total Sector ceiling has been placed at Kshs. 1.67billion consisting of Kshs. 610million for recurrent and Kshs. 1.06billion for development

22. Mr. Speaker Sir, in previous CFSPs, the County purposed to enhance revenue collection through employment of efficient and effective revenue collection system, implement the Nairobi County Revenue Administration Act, expansion of revenue basket by exploring the robust tourism industry in collaboration with the national government tourism institutions, reaching segments that have not been captured in the revenue map, carrying out extensive civic education to members of the public on the need to pay amounts due to the County, increased enforcement and compliance. In the coming financial year, the County Government has narrowed down on clear determination of revenue targets, implementation of the Revenue Administration Act with specific focus on formation of the Nairobi City Revenue Authority, timely introduction of the Finance Bill 2023, updating the revenue database, netting the untapped revenue potential, revenue mobilization as well as well supporting alternative financing mechanisms as the real game changers that shall help the County achieve her projected revenue target of Kshs. 19.99billion. The appreciation of alternative sources of financing its operations is meant to change tact from the current situation of over-reliance on own source revenue and equitable share from the National Government. The formation of a specific outfit under the Office of the Governor for Donor Coordination and Stakeholder Engagement to provide real time solutions on compliance with conditions attached to grants and donations, improve accountability of donor financing and make Sectors transparent on receipt and use of extra- budget funds.

23. Mr. Speaker Sir, Since the inception of the devolution system of government, internal revenue performance indicates that the County Government's revenue performance has largely gravitated around the Kshs. 10billion hence implying that for the County to realize the set target implementation of the documented strategies meant to enhance revenue collection is important and must not be back pedaled.

3.4. SUBMISSIONS FROM THE MEMBERS OF THE PUBLIC

24. 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 Thursday 13th April 2023 calling on members of the public to submit their views on the CFSP. The public participation on document was undertaken on Wednesday 19th and Thursday 20th April 2023 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. The submissions have been attached to this report.

3.5. SUBMISSIONS FROM SECTORAL COMMITTEES

25. 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.

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

A. Justice and Legal Affairs Committee

— That the Sector priorities for the CIDP 2023-27, ADP-2023-24 and the CFSP 2023/24 are well aligned;

- That the Sector development projects indicated in the CFSP 2023/24 are captured in the proposed ceilings;
- That the sectors' highlights in detail and the programmes they intend to undertake are contained in the ADP 2023-24;
- That the sectors' ceilings be approved as amended below: -

Sector		Recurrent	Development
County Secretary & Head Of County Public Service	Budget	200,000,000	177,000,000
	Ceiling	1,255,917,263	928,000,000
	Sector Ceiling		
	Difference	1,055,917,263	751,000,000

Sector		Recurrent	Development
Office of County Attorney	Budget Ceiling	144,234,325	15,000,000
	Sector Ceiling	4,169,534,325	15,000,000
	Difference	4,025,300,000	NIL

Sector		Recurrent	Development
Boroughs & Sub-County Administration	Budget Ceiling	100 Million	540 Million
	Sector Ceiling	250 Million	640 Million
	Difference	150 Million	100 Million

Sector		Recurrent	Development
Office of the Governor	Budget Ceiling	300,000,000	0
	Sector Ceiling	834,894,840	40,000,000
	Difference	534,894,840	40,000,000

Sector		Recurrent	Development
	Budget Ceiling	99,301,642	5,000,000

Internal Audit Department	Sector Ceiling	164,078,300	20,000,000
	Difference	64,776,658	15,000,000

Sector		Recurrent	Development
Security & compliance	Budget Ceiling	2,107,028,371	85,000,000
	Sector Ceiling	2,344,028,371	344,300,000
	Difference	237,000,000	259,300,000

B. Trade, Tourism and Cooperatives Committee

— That the following be approved as the strategic sub-sector priorities initiated under the Business & Hustler Opportunities, Markets and Trade, Cooperatives Sector in the FY 2023/24 as well as the financial request:-

SN	Delivery unit	Rationale	Recommended additional funding (Ksh million)		Amount
			Recurrent	Development	
1	Micro, Small & Medium Enterprises	Request for Biashara fund seed capital	300	0	300
2		Management information software	30	0	
3	Betting & Gaming	establish and operationalization of the Nairobi City County Lottery	150		
4	Markets and Trading Services	operationalization of Advisory Committee and automation	50		
5		Purchase of 5 NO. Vehicles for management of markets		40	
6	Trade & Industrialization	Construct & Equipping of Trade and Industrial Parks in various sub counties for textile, and metal works		292	
7		Purchase of 5 NO. Vehicles for		40	

		management of Industrial parks			
8	Weights & Measures	Staff special technical training	5	0	
9	Trade licensing	Purchase of business registers for 85 wards	8	0	
10		Public awareness campaigns	3		
11		GIS data collection, registration and inspection gadgets	4.1		
12	Markets, Trade & Industry	Benchmarking of modern markets and industrial parks	20		
Total addition funds request			570.1	372	942.1

C. Environment and Natural Resources Committee

- That the ceiling for the recurrent expenditure programme be approved as contained in CFSP FY 2023/2024
- The ceilings for development be increased from 106 Million to 1.058 Billion as tabulated below.

Description	Amount (M)
Rolled over projects	263
Solid waste	100
Parks	500
Air quality and Climate Change	100
Total	1,058

D. Water & Sanitation Committee

- That the ceilings for the Water and Sewerage be approved as proposed by the sub-sector as indicated in the table below;

	Sector Request In The CFSP		Sector Budget Ceilings		Requested increment	
	Recurrent	Development	Recurrent	Development	Recurrent	Development

Water & Sewerage	294,000,000	686,000,000	50,000,000	165,000,000	50,000,000	358,000,000
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E. Ward Development Fund Committee

—That the Ward Development Fund ceiling of **Kshs. 1,545,286,249** being **Kshs. 52,503,954** and **Kshs. 1,492,782,295** for recurrent and development expenditures respectively be approved without any alterations as provided by the Sector in the tabled County Fiscal Strategy Paper for the FY 2021/2022 and further that the fiscal strategies be approved as provided.

The Sector (Ward Development fund)	Recurrent	Development
Allocated Ceiling	72.375M	1.955B
Proposed Sector Ceiling	100.375M	K Ksh. 2,729,739,434
Difference	28M	Ks Ksh. 729,739,434

F. Children, ECDE and Vocational Training Committee

— That the Sub-Sector Budget Ceilings be increased as follows: - Kshs. 150,000,000 for the recurrent budget for Sub-Sector operations and maintenance to get a total of Kshs. 1,888,429,895 and an increment of Kshs. 350,000,000 for Development budget to cater ongoing projects and new ones to get a total of Kshs. 354,883,024;

— That the Ceilings of the Sub-Sector of Early Childhood Education and Vocational Training be as follows: -

Recurrent – Kshs. 1,888,429,895; and

Development – Kshs. 354,883,024.

— That the classrooms be built in the following ECDEs

S/N	School	No. of Classrooms	Sub County	Ward	Estimated Cost
1	Mathari ECDE	2	Mathare	Mabatini	5M
2	Kaloleni Day Nursery	2	Makadara	Makongeni	5M
3	State House Day Nursery	2	Dagoretti North	Kilimani	5M

4	Chemichemi	2	Kasarani	Njiru	5M
5	Salama	2	Mathare	Huruma	5M
6	AEF Ruben	2	Embakasi South	Ruben Ward	5M
7	Ngundu	2	Kasarani	Ruai	5M
8	Heidemarie	2	Ruaraka	Utalii	5M
9	Ndurarua	2	Dagoretti South	Riruta Satelite	5M
10	Kahawa Pre school	2	Roysam Bu	Kahawa	5M
11	Kiwanja	2	Roysambu	Kahawa west	5M
12.	Unity Day	2	Embakasi West	Umoja 1	5M
13.	Umoja 1	2	Embakasi West	Umoja 1	5M
14.	Shauri Moyo Day Nursery	2	Kamukunji	Pumwani	5M
15.	Daniel Comboni Pre School	2	Ruaraka	Korogocho	5M
16.	Loresho Pre School	2	Westlands	Kitsuru	5M
17.	Parklands Day Nursery	2	Westlands	Parklands	5M
18.	Ngara East Day Nursery	2	Starehe	Ngara	5M
19.	Nairobi West Day	2	Langata	Nairobi West	5M
20.	Kileleshwa Day	2	Dagoretti North	Kileleshwa	5M
21	Marura Pre School	2	Embakasi North	Kariobangi North	5M
22	Kinyanjui Pre School	2	Dagoretti South	Riruta Satelite	5M
23	Bahati Pre School	2	Makadara	Maringo Hamasa	5M
25.	Mwiki Pre School	2	Kasarani	Mwiki	5M
26.	Daima	2	Mathare	Huruma	5M
27.	Kamulu Pre School	2	Kasarani	Ruai	5M
28	Mihango Pre school	2	Embakasi East	Mihango	5M
29	Kayole North	2	Embakasi Central	Matopeni Spring Valley	5M
30.	Donholm Pre School	2	Embakasi East	Lower Savannah	5M

				Total	150M
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— That the Committee approves the following ongoing projects to be concluded in Financial Year 2023/24: -

Project Name	Location	Status	Estimated Cost
Proposed construction of a new ECDE centre	Kawangware ECDE in Kawangware Ward	At 30%	8,000,000
Proposed construction of a new ECDE centre	Starehe Day Nursery in Kariokor Ward	At 30%	8,000,000
Proposed construction of a new ECDE centre	Tana Day Nursery Maringo Hamsa Ward	At 30%	8,000,000
Proposed construction of a new ECDE centre	Tumaini ECDE in Embakasi West	At 30%	8,000,000
Proposed construction of a new ECDE centre	Ayany ECDE in Sarangombe ward	At 30%	8,000,000
Proposed construction of a new ECDE centre	Kangemi in Mt. View Ward	AT 70 %	7,880,000
Proposed construction of a new ECDE centre	Riruta satellite in Riruta Ward	80% Complete	5,421,433.00
Proposed construction of a new ECDE centre	Joash olum in Highrise Ward	50% complete	3,907,580.00
Proposed construction of a new ECDE centre	Kariobangi south in Kariobangi Ward	10% complete	12,960,073.00
Proposed construction of a new ECDE centre	Mwiki ECDE in Mwiki ward	10% complete	13,974,333.24
Proposed construction of a new ECDE centre	Raila Odinga in Makina Ward	Awarded, yet to begin	13,974,333.24
Proposed construction of a new ECDE centre	Skyway ECDE in Mihango Ward	Awarded, yet to begin	12,801,545.40
Proposed construction of a new ECDE centre	Thomas Makongeni in Ruai Ward	20% complete	12,113,706.00
Proposed construction of a new ECDE centre	Dandora Day Nursery in Dandora Ward	30% Complete	9,072,650.30
Proposed construction of a new ECDE centre	Highway Manyatta in Ruai Ward	80% Complete	4,478,741.00
Construction of a toilet block	Kangemi VTC	20% Complete Ongoing	7,883,023.60
Construction of ICT Twin lab	ICT Twin lab Kangemi	0%	10,788,237.00
Construction of a new VTC	Highrise	0%	20,000,000.00

Construction Perimeter Wall	Kiwanja VTC	60% Done	5,500,000
Rehabilitation of Mathare VTC	Mathare VTC		5,000,000
Construction of a toilet	Kahawa Garisson		3,500,000
			189,255,655.78

— The County Executive Sector to establish clear strategy to ensure the Ruai Children Rehabilitation Centre is completed in the in Financial Year 2023/24 and

— The Committee approves the proposed projects for Children and Rehabilitation Services.

G. Labour and Social Welfare Committee

— That the Sub-Sector Youth Affairs and Social Services priorities be approved as requested by the Sub Sector;

— That the ceiling for the Youth Affairs and Social Services be approved as proposed by the Sub-Sector.as indicated in the table below: -

	Sector Request in the CFSP		Sector Budget Ceilings Issued		Sector Request to the Assembly: an increment as follows	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
Social Services	288,000,000	225,000,000	10,000,000	10,000,000	50,000,000	20,000,000
Youth	288,000,000	50,000,000	5,000,000	0	15,000,000	20,000,000

— That the current ceiling for the County Public Service Board be approved to consider additional funds of **Kshs. 100,000,00 (75M on recurrent and 25M on development)** which were captured in the CFSP 2023/2024:

Sector Request in the CFSP		Sector Budget Ceilings issued		Sector Request to the Assembly: an increment as follows	
Recurrent	Development	Recurrent	Development	Recurrent	Development
232,467,580	10,000,000	127,447,160	10,000,000	75,000,000	25,000,000

— That the priorities for County Public Service Board be approved as proposed;

Activities- Devt.	Key Performance Indicator	Resource Requirement
Purchase of 3 Utility Vehicles	No. of vehicles purchased	25,000,000

Activities- Rec	Key Performance Indicator	Resource Requirement
Develop and implement succession planning policy	Operational Succession Planning Policy	15,000,000
Stakeholder engagement	Engagement sessions with different stakeholders	12,000,000
Capacity Building	No. of members of staff	8,000,000
Midterm review of Board Charter	Progress report	6,000,000
Other operation expenses		34,000,000
TOTAL		75,000,000

— That the Public Service Management priorities be approved as requested by the Sub Sector as proposed in the table below: -

— That the ceiling for Public Service Management contained in the table below be approved as proposed;

Recurrent			
Programme	FY 2023/24 Ceiling	Proposed Ceiling	Difference
Medical Insurance	900,000,000	1,500,000,000	600,000,000
Reimbursements	15,000,000	50,000,000	35,000,000
Training	50,000,000	80,000,000	30,000,000
Staff Mortgage Scheme	0	100,000,000	100,000,000
Rewards And Sanctions	0	20,000,000	20,000,000
Payment Of Rolled Over Suppliers	0	25.592.715.	25.592.715.
TOTAL	965,000,000	1,775,592,715	810,592,715

Development			
Programme	FY 2023/24 Ceiling	Proposed Ceiling	Difference
Training School	0	50,000,000	50,000,000
RENOVATION OF HRM 2 nd FLR ANNEX	0	10,000,000	10,000,000
TOTAL	0	60,000,000	60,000,000

- That the Sub-Sector Gender and inclusivity priorities be approved as requested by the Sub Sector;
- That the ceiling for Gender and Inclusivity sub-sector as contained in the table below be approved as proposed: -

	Sector request in CFSP		Sector budget ceilings issued		Requested Increment	
	Recurrent	development	Recurrent	development	Recurrent	Development
Gender & Inclusivity	411,600,000	128,000,000	30,000,000	0	360,000,000	128,000,000

H. Culture and Community Services Sectoral Committee

i. Disaster Management and Coordination

- That, Gikomba and Kangemi be included as the project location for the 2^{No.} 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;
- That, the Emergency Fund be allocated **Kshs. 350Million** to ensure that the revolving fund is always replenished and managed in line with the Public Finance Management Act, 2012;
- That the ceilings for the Disaster Management and Coordination sector be increased from **275 Million**; Comprising of Development **Kshs 145 Million** and Recurrent

Kshs 130 Million to Kshs. 722.5 Million comprising of Development **Kshs. 642.5 Million** and Recurrent **Kshs. 130 Million**.

— Below is the justification for the increase in the ceilings.

Disaster Management and Coordination			
Summary Of County Fiscal Strategy Paper F/Y 2023/2024			
S/No.	Item	Justification	Required Allocation F/Y 2023/2024 (Ksh)
1	<ul style="list-style-type: none"> i. Construction of 2 Fire Stations in Gikomba and Kangemi at a cost of 240M. ii. Procurement of 1,400 specialized equipment at a cost of 70M. iii. Upgrading of Emergency Operation Center at a cost of 50M. iv. Upscaling of Training School to Centre of Excellence at a cost of 25M. v. Procurement of 400 Personal Protective Equipment (PPE) at a cost of 180M. vi. Purchase of 3 Advanced Life Support (ALS) Ambulances at a cost of 60M. vii. Amendment and operationalization of the Disaster Management Act 2015 at a cost of 5M. viii. Establishment of Community Emergency Response Centers in Boroughs and Wards at a cost of 12.5M. 	<p>The Sector has prioritized the following projects with a total ceiling of development at Kshs. 642,500,00. The Committee justified that the additional construction of Kangemi Fire station would help deal with fire disasters. Further the additional projects would ensure that existing fire stations are adequately equipped to mitigate disasters.</p>	Kshs. 642,500,00.

— That, the total allocation of **Kshs. 722.5 Million** allocated to **Disaster Management and Coordination sector** be domiciled in the said sub-sector.

ii. Youth, Talent and Sports & Social Services;

— That, the budget ceilings for the sector be increased as shown in the table below: -

	Sector Request in the CFSP		Sector Budget Ceilings Issued		Sector Request to the Assembly: an increment as follows	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
Social Services	288,000,000	225,000,000	30,000,000	10,000,000	50,000,000	85,000,000
Talent & Sports	263,000,000	734,500,000	25,000,000	504,500,000	55,000,000	170,000,000

iii. Public Participation, Citizen Engagement and Customer Service & City Culture, Arts & Tourism; -

i. That, the summary of programs for the sector be included in the CFSP as illustrated by the table below: -

	Sector Request in the CFSP		Sector Budget Ceilings Issued		Sector Request to the Assembly: an increment as follows	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
Public Participation Citizen Engagement and Customer Service	1,156,500,000	274,000,000	110,000,000	0	77,500,000	173,000,000
City Culture Arts and tourism	449,000,000	99,000,000	30,000,000	0	158,800,000	51,000,000

— That the funds that are allocated in all sectors for public participation be domiciled in the Public Participation, Citizen Engagement and Customer service sub-sector.

iv. Nairobi City County Liquor Board

— That, the Liquor License sub-sector budget be included in the County Fiscal Strategy Paper 2023/2024 as recommended below as per the Liquor Licensing Act, 2014 Section 43 (1) which allows the amount collected from Liquor licenses to be used as per the sector priorities at Kshs. 249million for recurrent and Kshs. 70million for development

— That the table below indicates the Board sector programs and activities.

Programme	Sub programme	Key outputs	Activities	KPIs	2023/2024	
					Target	cost
Liquor Licensing Board	Headquarters	Reduction in Alcoholism	Conduct education fora	No. of education fora conducted.	72	72
			Undertake school-based programmes	No. of school-based programmes undertaken	20	20
			Carry out researches on alcoholism	Research report	1	25
			Undertake work place programmes	No. of Work place programmes undertaken	6	6
			No. of rehabilitation Centres established	No. of rehabilitation Centres established	1	20
		Digitized Liquor Licensing system	Digitization of liquor licensing system and network connectivity	No. of licensing system and related network developed	1	20
		Improved work environment and safety	Construction of a block of offices for liquor Headquarters.	No. of block of offices constructed	1	30
		Enhanced Leadership and management Skills	Conduct staff trainings	No. of Trainings conducted	4	30

		Improved performance in alcoholic drinks control	Review of the liquor Act and formulation of liquor policies	No. of Legislations/Policies	1	10
			Purchase an operations vehicle	No. of vehicles purchased	0	0
	Liquor Board and Sub-Committees	Increased compliance with liquor laws and regulations	Issuance of Liquor licenses.	No. of Liquor licenses issued.	7,000	70
	Liquor Enforcement	Increased in collaboration with other Government agencies	Carry out inter-agency enforcement operations	No. of inter-agency enforcement operations	12	10
			Conducted inter-agency meetings	No. of inter-agency meetings conducted	12	6
						319

I. Food, Agriculture and Fisheries Committee

—That the following be approved as the strategic sub-sector priorities for the Food and Agriculture Sub-Sector;

- a. Increase agricultural productivity & food security to vulnerable population;
- b. Sort out dogs and roaming animals menace;
- c. Strengthen structures and capacities for coordination in the Agricultural Sector;
- d. Increase tree cover;
- e. Enhance food safety and reduce post-harvest losses;
- f. Strengthen the urban food system; and
- g. Conservation and sustainable utilization of natural resources.

—The Sub-Sector’s recurrent budget be increased by Kshs. 40,000,000 (operations Kshs. 20,000,000 & personnel Kshs. 20,000,000 – for recruitment of 25 staff);

—That the ceiling for the Food and Agriculture Sub-Sector be approved as proposed below;

Recurrent budget Kshs 256.31M

Development budget Kshs 123.96M

Total Kshs 380.27M

— That the following development projects for the Food and Agriculture Sub- Sector be approved and implemented in the FY 2023/2024;

Project Name	Location	Activities	Duration	Estimated Cost	Remarks
Purchase of 2 vehicles	County wide	Purchase through procurement process	1 year	18,960,000	For extension services
Establishment of vegetable vertical gardens	County wide	-Sensitization of beneficiaries -MoU -Husbandry training -Establishment -Monitoring	1 year	11,000,000	Group in informal settlements
No of green houses and water harvesting tank installed	County wide	Sensitization of beneficiaries -MoU -Husbandry training -Installation -Monitoring	1 year	10,000,000	

Promotion of factory broiler farming	County wide (85 wards)	Construction of poultry houses - purchase of day-old chicks, Feeds and vaccines. provision -Capacity building	1 year	20,000,000	Upscaling poultry project I , riding on the experiences and learning and improving on the lessons learned.
Construction of 15 fish ponds in learning institutions	Embakasi North, Embakasi East, Kasarani, Roysambu, Ruaraka, Dagoretti North, Dagoretti South, Kibra, Langata, Makandara	Identification of beneficiaries and project sites, signing of MOU with the beneficiaries, excavation of core pit, cutting and slopping of dykes, installation of pond liner, water filling, pond water fertilization, stocking of fingerlings and provision of fish feeds for the first cycle	1 year	20,000,000	NCCG funded

Completion of Animal Clinic	Pangani, Westlands	Construction	1 year	20,000,000	
Installation of 7 food waste management equipment	7 retail food markets	Procure and install food waste management equipment	1 year	14,000,000	
Expand tree nursery	City Park	Contracting through procurement process	1 year	5,000,000	
Complete Underground water Reservoir at Athi Primary School	Athi Primary School	Clearing up, lining, gutters installation and other equipment	1 year	5,000,000	
TOTAL				123,960,000	

J. Energy and ICT Committee

— That the following policy measures be initiated under the Information, Communication and E- Government & the Energy sub-sector in the FY 2020/21 to improve budget execution,

- a. Partner with other government agencies and corporate organizations to reduce financial burden to the County;
- b. Recommend for devolving of procurement to the Sectors to increase procurement processes; and

c. Have regular meetings with the Finance Sector to expedite the processing of payment to contractors.

— The innovation and Digital Economy sector proposes to be allocated Kshs.217M for recurrent expenditure and Kshs.500M for development projects in the financial year 2023/2024 respectively.

Program	2023/2024 Ceilings			Committee Amendments		
	Gross Recurrent	Development	Total Budget	Recurrent	Development	Total
Information, Communication and E-Government	217M	300M	517M	276M	500	776M
Energy sub-sector		84M	84M		84M	84M

— That recurrent expenditure ceiling of the Information, Communication and E-Government Sector be increased from **217M to 276M** and that of the development be increased from **Kshs 300M to Kshs 500M**.

— That the programmes for the Energy sub-sector be approved as listed

K. Planning and Housing Committee

— That the Sector development projects indicated in the CFSP 2023/24 be captured in the proposed ceilings.

— That the sector budget proposals for the three subsectors totaling Ksh. 1.352billion as indicated in Table 1 above, be approved as the figures are below the proposed ADP ceiling of Ksh. 1.736billion.

L. Transport and Public Works Committee

— The following policy measures be initiated by the Mobility and Works Sector in the FY 2023/2024:

a) Adopt Sector specific approach during the preparation, consolidation and submission of planning documents; and

- b) 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.
- Approves the programmes for the Mobility and Works Sector as contained in **Annex 1**.
- The ceiling for the Mobility and Works Sector be approved as follows:
 - a) Recurrent Expenditure: **Ksh 1,096, 825,911**
 - b) Development expenditure be increased by an additional Ksh.1.5billion from the Ksh. 2,493,778,104 in the CFSP (**Annex 2 ,3 and 4**).
- The County Executive to re-organize the FY 2023/2024 budget to have the funds allocated to the yet to be transferred projects allocated to the procurement of road and street lighting materials and equipment. This is aimed at empowering the in-house initiative and reduce contracting that is resulting in high pending bills and stalled projects; and
- The County Executive to put in place measures to have the stalled projects revived and completed including through RMLF and in-house initiative that the sector has empowered through the asphalt plant and procurement of materials.

M. Health Services Committee

- The Committee recommends that the Select Committee on Finance, Budget and Appropriations approves the sector ceilings as follows;

Programmes	PROPOSED BUDGET CEILINGS FY 2023/2024 (IN KSH)				
	PE	Non-Discretionary	Other O&M	CAPITAL	TOTAL
Public Health			60,000,000	200,000,000	260,000,000
Health facilities		400,000,000	120,000,000	925,000,000	1,445,000,000
Medical Services		50,000,000	60,000,000		110,000,000
Wellness, Nutrition &	6,376,013,819	1,200,000,000	60,000,000	500,000,000	8,136,013,819

School feeding					
	6,376,013,819	1,650,000,000	300,000,000	1,625,000,000	9,951,013,819

IV. RECOMMENDATIONS

4.1. POLICY 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 the County Attorney, the Chief Officer for Finance and the Chief Officer responsible for Disaster 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.
4. 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.
5. That all activities related to Public Participation be undertaken by the Sector on Inclusivity and Public Participation.

4.2. 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 2023-24
2. That the unremitted conditional grants for Road Maintenance Levy Fund be included as part of the resource framework for the coming financial year.

4.3. 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 2023-24 budget.

4.3.1. Budget Reductions

- a) That the recurrent allocation for the Finance and Economic Affairs Sector under pending bills be reduced by Kshs. 200million.
- b) That the recurrent allocation for the Office of the County Attorney be reduced by Kshs. 200million.
- c) That the development allocation for Boroughs and Sub County Administration be reduced by Kshs. 140million.
- d) That the development allocation for Health Facilities be reduced by Kshs. 100million.
- e) That the development allocation for Water and Sewerage be reduced by Kshs. 50million.

4.3.2. Budget Increases

- a) That allocation of Kshs. 100million 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. 50million and the development budget be increased by Kshs. 100million.
- c) That Kshs. 10million be provided for rehabilitation of the Central Garage.
- d) That the allocation for Revenue Department be increased by Kshs. 50million.
- e) That the recurrent allocation for Gender and Inclusivity be increased by Kshs. 40million to support gender related activities specifically the County Assembly Women Caucus.
- f) That the recurrent allocation for the City Culture, Arts and Tourism be increased by Kshs. 60million and the development allocation be increased by Kshs. 20million.
- g) That, as part of the provided allocations for the Business and Hustler Opportunities Sector, the budget ceilings for the Liquor Licensing Board be approved at Kshs. 230million for recurrent and Kshs. 50million for development

- h) That the recurrent budget for the Food, Agriculture and Natural Resources Sub Sector be increased by Kshs. 20million.
- i) That ceiling for the Health Sector be increased by Kshs. 70million to cater for recruitment of additional medical staff.
- j) That Kshs. 100million be allocated as seed capital the ward biashara fund.
- k) That Kshs. 30million be allocated under the Public Service Management to carter for Construction of Training School.
- l) That Gikomba, Kangemi and Mathare be indicated as the project locations for the construction of new fire stations.
- m) That the recurrent allocation for the Water and Sewerage Sub Sector be increased by Kshs. 20million.
- n) That the recurrent allocation for Ward Development Programmes be increased by Kshs. 20million.

4.4. MEDIUM TERM DEBT MANAGEMENT STRATEGY

1. That the Assembly approves the debt management strategies underpinning the County Fiscal Strategy Paper 2023 and the budget estimates for the FY 2023-24 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.

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 2022-23 and the Nairobi City County Debt Management Strategy Paper for the FY 2022-23”

**SCHEDULE 1. REVENUE PROJECTIONS FOR COUNTY FISCAL STRATEGY
PAPER FOR FY 2023-2024**






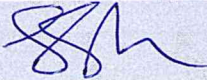
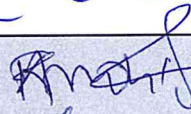

Revenue by Source	Approved Budget FY 2022/23	CFSP 2023/2024 Tabled	CFSP 2023/2024 Recommended
Equitable Share	19,249,677,412	19,782,840,133	19,782,840,133
Own Source Revenue			
Rates	5,625,000,000	7,030,000,001	7,030,000,001
Parking fees	3,025,000,000	3,000,000,000	3,000,000,000
Single business permits	3,000,000,000	3,000,000,000	3,000,000,000
Building permits & approvals	1,750,000,000	1,900,000,000	1,900,000,000
Billboards & adverts	1,200,000,000	1,200,000,000	1,200,000,000
Housing rents-eastlands & eote	600,000,000	600,000,000	600,000,000
Fire inspection cert	450,000,000	450,000,000	450,000,000
Food handlers cert	250,000,000	300,000,000	300,000,000
Regul./change /amalg/sub		150,000,000	150,000,000
Wakulima market	250,000,000	240,000,000	240,000,000
Other markets	538,770,000	320,000,000	320,000,000
Other incomes	1,589,064,347	1,800,072,413	1,800,072,413
Sub-total OSR	18,277,834,347	19,990,072,414	19,990,072,414
Cash balances projection	800,000,000	994,291,211	994,291,211
Total Revenues & Cash balances	39,613,916,384	40,767,203,758	40,767,203,758

SCHEDULE 2. EXPENDITURE CEILINGS FOR COUNTY FISCAL STRATEGY PAPER FOR FY 2023-2024

SECTOR NAME	Programmes	Tabled CFSP FY 2023-24 (Kshs. Millions)			Committee Amended Budget Ceilings for FY 2023-24 (Kshs. Millions)		
		Recurrent	Capital	Total	Recurrent	Capital	Total
Boroughs Admin & Personnel	County Public Service Board	127,447,160	10,000,000	137,447,160	127,447,160	10,000,000	137,447,160
	Office of County Secretary	685,547,181	177,000,000	862,547,181	685,547,181	177,000,000	862,547,181
	Internal Audit & Risk Management	99,301,642	5,000,000	104,301,642	99,301,642	5,000,000	104,301,642
	Office of Governor	300,000,000	0	300,000,000	300,000,000	0	300,000,000
	Security & Compliance	2,022,028,371	85,000,000	2,107,028,371	2,022,028,371	85,000,000	2,107,028,371
	Disaster Mgt & Coordination	383,059,224	145,000,000	528,059,224	483,059,224	145,000,000	628,059,224
	Office of County Attorney	1,044,234,325	15,000,000	1,059,234,325	844,234,325	15,000,000	859,234,325
	Boroughs & sub county administration	1,498,932,769	540,000,000	2,038,932,769	1,498,932,769	400,000,000	1,898,932,769
	Public Service	1,948,518,071		1,948,518,071	1,948,518,071	30000000	1,978,518,071
	Digital Economy & startups	118,808,635	300,000,000	418,808,635	118,808,635	300,000,000	418,808,635
Innovation & Digital Economy	ICT Infrastructure	50,000,000		50,000,000	50,000,000		50,000,000
	Smart Nairobi	50,000,000		50,000,000	50,000,000		50,000,000
Finance and Economic Planning	Revenue	400,000,000	100,000,000	500,000,000	450,000,000	100,000,000	550,000,000
	Finance	2,112,386,343	1,150,000,000	3,262,386,343	1,912,386,343	1,150,000,000	3,062,386,343
	Economic Planning	300,000,000		300,000,000	300,000,000		300,000,000
	Ward Development Programmes	72,375,466	1,955,000,000	2,027,375,466	92,375,466	1,955,000,000	2,047,375,466
	Public Health	60,000,000	200,000,000	260,000,000	60,000,000	200,000,000	260,000,000
Health Wellness and Nutrition	Health facilities	520,000,000	925,000,000	1,445,000,000	520,000,000	825,000,000	1,345,000,000
	Medical Services	110,000,000	0	110,000,000	180,000,000		180,000,000
	Wellness, Nutrition & School feeding	7,636,013,819	500,000,000	8,136,013,819	7,636,013,819	500,000,000	8,136,013,819

Built Environment and Planning	Urban Development & Planning	297,826,690	0	297,826,690	297,826,690	0	297,826,690
	Lands	30,000,000	0	30,000,000	30,000,000	0	30,000,000
Mobility and Works	Housing & Urban Renewal	30,000,000	0	30,000,000	30,000,000	0	30,000,000
	Works	916,825,911	1,650,693,104	2,567,519,015	916,825,911	1,650,693,104	2,567,519,015
Talent Devt & Care	Mobility	180,000,000	843,085,000	1,023,085,000	180,000,000	853,085,000	1,033,085,000
	ECD & Vocational Training	1,738,429,895	4,883,024	1,743,312,919	1,788,429,895	104,883,024	1,893,312,919
Business & Hustler Opportunities	Social Services	188,192,056	10,000,000	198,192,056	188,192,056	10,000,000	198,192,056
	Youth Talent & Sports	30,000,000	504,500,000	534,500,000	30,000,000	504,500,000	534,500,000
Green Nairobi	Business & hustler opportunities	550,362,507	29,000,000	579,362,507	550,362,507	129,000,000	679,362,507
	Markets & Trade Cooperatives	30,000,000	1,031,000,000	1,061,000,000	30,000,000	1,031,000,000	1,061,000,000
Inclusivity Public Participation	Food Agriculture & Natural Resources	216,313,243	123,960,000	340,273,243	236,313,243	123,960,000	360,273,243
	Water & Sewerage	2,874,870,975	106,040,000	2,980,910,975	2,874,870,975	106,040,000	2,980,910,975
County Assembly	Public Participation, Citizen Engagement & Customer Service	176,568,348	0	176,568,348	176,568,348		176,568,348
	City Culture Arts & Tourism	30,000,000	0	30,000,000	90,000,000	20,000,000	110,000,000
TOTAL	Gender and Inclusivity	30,000,000	0	30,000,000	70,000,000	0	70,000,000
	County Assembly	1,839,000,000	1,415,000,000	3,254,000,000	1,839,000,000	1,415,000,000	3,254,000,000
TOTAL		28,777,042,631	11,990,161,128	40,767,203,759	28,807,042,631	11,960,161,128	40,767,203,759

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, 2023 as adopted by the Committee on the 25th day of April 2023.

NAME	SIGNATURE
1) Hon. Wilfred Oluoch Odalo, MCA	
2) Hon. Emily Oduor, MCA	
3) Hon Anthony Kiragu, MCA	AKK
4) Hon. Moses Ogeto, MCA	
5) Hon Mark Mugambi, MCA	
6) Hon. Jeckoniah Onyango, MCA	J. J. O
7) Hon. Robert Mbatia, MCA	
8) Hon. Catherine Apiyo Okoth, MCA	
9) Hon. Jane Muasya, MCA	
10) Hon. Redson Otieno Onyango, MCA	R.O.O
11) Hon. Asli Muhamed, MCA	
12) Hon. Rosemary Masitsa, MCA	R.Masitsa
13) Hon. Perpetua Mponjiwa, MCA	P.M.O
14) Hon. Collins Ogenga, MCA	C.O.O
15) Hon. Fathiya Abdillahi Mohamed, MCA	
16) Hon. Sam Kago, MCA	
17) Hon. Anthony Ngaruiya Jasho, MCA	

18) Hon Paul Ndungu, MCA	P.N
19) Hon Ciciliah Wairimu Njathi, MCA	C.W.N
20) Hon Waruguru Kanyi, MCA	W.K
21) Hon Joyce Kamau Muthoni, MCA	J.Kamau
22) Hon Waithera Chege, MCA	
23) Hon Susan Makungu, MCA	S.M