

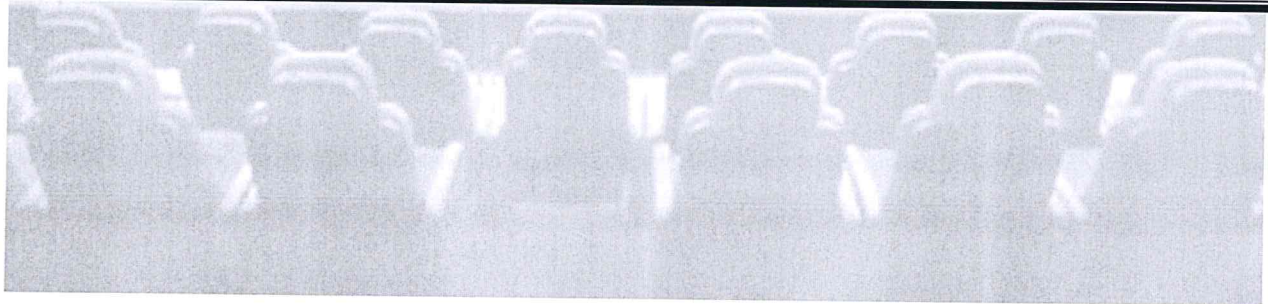
COUNTY GOVERNMENT OF NAIROBI CITY



NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY-THIRD SESSION

**REPORT OF THE SECTORAL
COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES
ON THE
CONSIDERATION OF THE BUDGET ESTIMATES FOR THE FY 2019/2020**



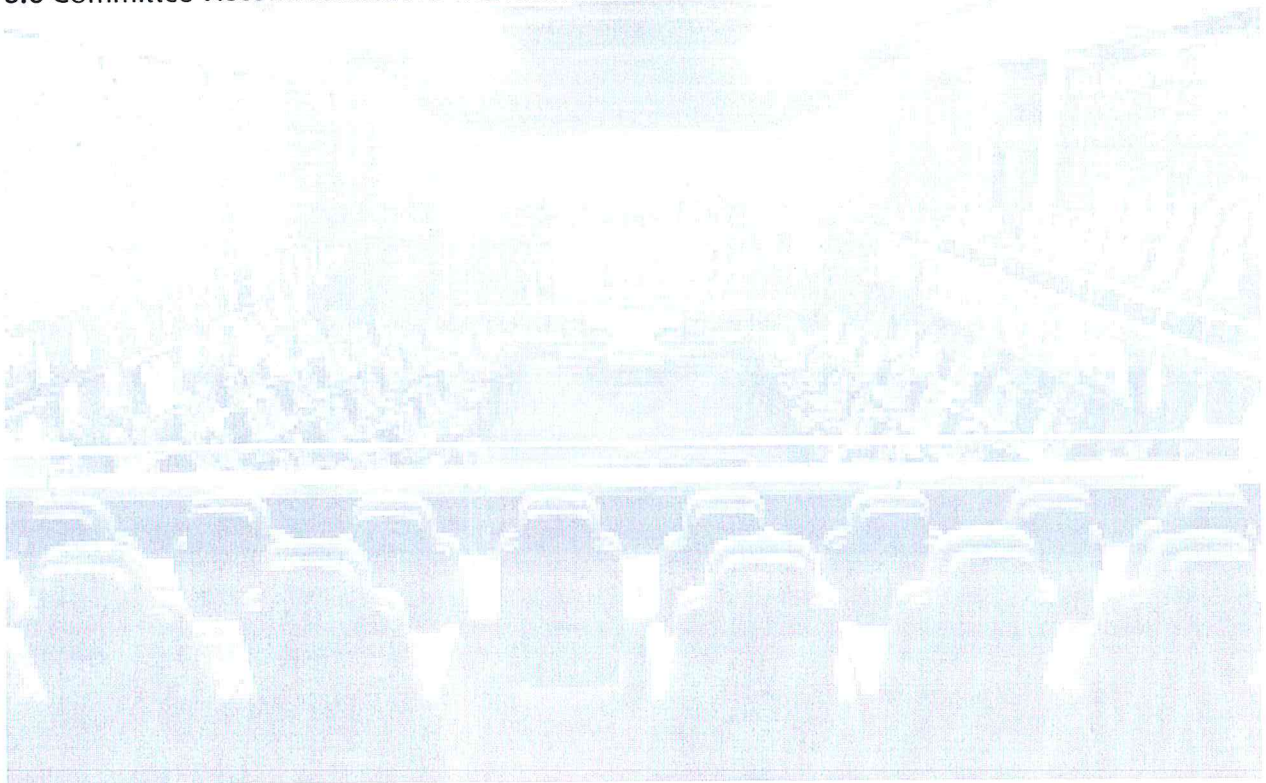
**CLERK'S CHAMBERS,
CITY HALL,
NAIROBI**

JUNE, 2019

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Hon. Speaker,

Committee Membership

Hon. Speaker,

The Committee on Environment and Natural Resources was constituted by the Assembly on 5th October, 2017 comprising of the following Members:-

- 3

17. Hon. Francis Otieno Ngesa, MCA

18. Hon. Solomon Magembe, MCA

19. Hon. Millicent Okatch, MCA

2.0 BACKGROUND

In line with the provisions of Section 129 of the Public Finance Management (PFM) Act 2012, the Budget Estimates for the FY 2019-20 was laid in the County Assembly on Thursday 2nd May, 2019. Standing Order 222 (3) and (4) provides that upon Tabling before the Assembly, the Estimates are deemed to have been committed to all the Sectoral Committees for scrutiny and submission of a report to the Budget and Appropriations for the Sectors within twenty one (21) days.

Hon. Members,

On behalf of the Members of Sectoral Committee on Environment and Natural Resources, it is my pleasant duty and privilege, to present the Committee's Report on the Consideration of the Budget Estimates for the Financial Year 2019/2020.

Signed.....

Hon. John Kamau, MCA
(Chairperson)

Sectoral Committee on Environment & Natural resources

Dated this 10th day of June2019

3.0 OVERVIEW OF THE BUDGET ESTIMATES FOR THE FY 2019/2020

Water, Energy, Environment, and Natural Resources Sector has requested for **Kshs. 2.087billion** for various purposes in the coming financial year; **Kshs. 1.624billion** is for recurrent expenditure while **Kshs. 463million** is for capital expenditure. Kshs. 572million is allocated for General Administration & Support programmes, Kshs. 1.153billion for Environment Management and Protection programme and Kshs. 362million for Water Resources Management programme. Solid waste management sub-programme has the highest allocation of Kshs. 992million.

The Environment and Natural Resources sub-sector has been allocated **Kshs 1,562,000,000** for recurrent expenditure and **Kshs 163,000,000** for development expenditure, totaling to **Kshs 1,725,000,000**.

The Environment and Natural Resources sub-sector's achievements over the first nine months of the FY 2018/19 were:

- i. Solid waste collection, transportation and disposal was maintained at 1,800 tons per day.
- ii. Successful monthly clean-ups.
- iii. Sustained improvement of access into Dandora dumpsite.
- iv. Reduced noise pollution.
- v. 5 public parks namely, Uhuru park, Jevanje park, Central park and City Park were maintained.
- vi. Beatification of Uhuru Highway and Mombasa Road

4.0 COMMITTEE OBSERVATIONS

1. The proposed total Sector budgets are as per the ceilings approved by the County Assembly in the County Fiscal Strategy Paper for the FY 2019-20.
2. The Sector's Budget has been reduced by Kshs. 1.392billion compared to the FY 2018-19.

3. Renovation of city hall annex and hardcore access to the dumpsite projects were not pulled from the approved CFSP.
4. In the approved second supplementary budget for the FY 2018-19, construction of John Osogo Road was reduced by Kshs. 50million but only Kshs. 40million has been allocated in the FY 2019/20 budget. Also the allocation for rehabilitation of parks was reduced by Kshs. 40million, only Kshs. 15million has been set aside for the same purpose in the FY 2019-20.
5. No resources allocated for the availing of 50 NCC owned refuse trucks, four heavy plan machines in working conditions at the dumpsite and operationalization of a potential dumping site.
6. There is no rationale of in increasing the allocation for casual Labour for Parks and Open spaces from Kshs 30M to Kshs 90M. If 65 gardens and 1 recreational park were done with Kshs 30M in the current FY, then the targets for the coming FY of developing 90 gardens and establishment of 1 recreational ark can be done with Kshs30M. An increase from Kshs 30M to Kshs 90M is not warranted.
7. By the end of the first half of the current FY, the budget absorption rate was 90% for the recurrent and 1% for the development budget.
8. Kshs. 176million for casual labour has been reduced to zero (zero allocation) under Solid Waste Management and targets revised to 2,000 tonnes per day. Allocation to this sub-programme should be related to the tonnage of garbage collection.
9. The allocation for contracted guards and cleaning services is projected at Kshs. 780million in the FY 2019-20 which represent a reduction by over 50% compared to the amounts allocated in the budget estimates for the current financial year. No rationale in reducing allocation to this sub-programme and increase the number of clean ups from 60 to 280.
10. There is delayed absorption of the development budget due to the nature and processes involved in the procurement of these projects.

5.0 SUBMISSIONS FROM THE ENVIRONMENT AND NATURAL RESOURCES SUB-SECTOR

Meeting with the CEC Member

The Committee held a meeting with the County Executive Committee Member responsible for Water, Energy, Environment, and Natural Resources on Thursday 30th May, 2019.

CEC Member/ Environment and Natural Resources sub-sector submissions

1. The Sub-Sector will be allocated only **Kshs. 1,562,690,323** against its proposal of **Kshs 2,617,690.323** for its Recurrent Expenditure.
2. **Kshs. 163,000,000** is allocated for Development Expenditure as opposed to Sub-sector's proposal of **Kshs. 1,035,000,000**.
3. The gross underfunding of the Sub-Sector is a recipe for requests for supplementary budgets, a provision that is normally preserved only for unforeseen circumstances.
4. The Sub-Sector had specifically requested for **Kshs 130M** for casual laborers under the Solid Waste Management Sub-programme. However, there was zero allocation for the same but some **Ksh. 90M** was allocated to the Line Item under the Parks and Opens Spaces Sub-programme. The reallocation may have been informed by past expenditure patterns. Nevertheless, the casuals programme remains underfunded in the Sub-Sector.

The resultant underfunding of the programmes would in effect grossly reduce the performance and achievements across all operational and development areas particularly in these two major areas.

- i. The on-going “**Ngarisha Jiji**” initiative under Nairobi Regeneration Programme that is largely dependent on engagement of Youthful Casuals would stall midway, thus losing the gains made so far.

- ii. Solid Waste Management, a service delivery area predominantly dependent on hired contractors would be adversely affected and eventually impaired by the end of the 2nd Quarter, translating to deterioration in City's cleanliness.
5. That the sub-sector's recurrent expenditure be revised upwards from **Kshs 1,562,000,000** to **Kshs 2,773,800,323** and the development expenditure be increased from **Kshs 163,000,000** to **Kshs 1,325,000,000** hence an increase in total allocation from **Kshs 1,725,000,000** to **Kshs 4,098,800,323**. (See annex)

6.0 COMMITTEE RECOMMENDATIONS

The Committee on Environment & Natural Resources resolved to make the following recommendations to the Finance, Budget and Appropriations Committee:

1. That the zero allocation for casual laborers under Solid Waste Management be revised to Kshs. 225M; with a conservative figure of 30 casuals per Ward working for 21 days per month at a rate of Kshs. 500 , the Sector requires a total of Kshs. 315M to run the programme for the whole year.
2. That the allocation for contracted guards be revised upwards from Kshs 780M to Kshs 1.46B; the hired contractors are projected to handle 730,000 tons of waste annually. With the average cost of collection and disposal of waste per ton of Kshs. 2,000, the Sector requires Kshs. 1.46 Billion to pay the contractors per annum.
3. That the allocation of routine maintenance be increased from Kshs 30M to Kshs 100M; the Sector has 60 waste collection trucks and 3 heavy plants for Dumpsite operations. The trucks are serviced after every 6,000 Kms, normally translating to around 4 times per year per truck. These service and repair costs are what informed the sectors initial proposal of Kshs. 100 Million
4. That the allocation of Kshs 20M under research, feasibility studies be increased to Kshs 50M; the Sector plans to conduct a full feasibility study which is a pre-requisite to establishment of the envisaged modern solid waste Final Disposal facility

5. That the allocation of Kshs 40 M under access roads be increased to Kshs 107M for the completion of John Osogo construction; the contract sum is Kshs. 170M and amount paid to-date against raised Certificate is Kshs. 47M (FY 2017/2018). In FY 2018/19, Kshs. 16M has been committed. The contractor is expected to complete the project before 28th September, 2019 hence be paid the balance of Kshs. 107 M according to the contract sum.

6. That Kshs 200M be allocated for the purchase of specialized equipment; the Sector envisages purchase of 2No Dozers at Kshs. 40M each, 2No. Excavators at Kshs. 35M each and 5No. Backhoe at Kshs. 10M each totaling to Kshs. 200M. This will enhance mechanical capacity thus efficiently manage the Dumpsite.

7. That under parks and open spaces sub-programme, other infrastructure and civil works be allocated Kshs 650M; H.E The Governor gave an executive order on rehabilitation of Kamukunji Grounds. A taskforce thus established provided an initial working figure of Kshs. 600M.

8. That the allocation under SWM sub-programme, other infrastructure and civil works, be increased from Kshs 53M to Kshs 253M for pilot composting of organic waste.

9. That recurrent budget of the Environment and Natural Resources sub-sector be increased from **Kshs 1.562 Billion to Kshs2.773 Billion** and that of the development expenditure be increased from **Kshs 163 Million to Kshs 1.325 Billion**

Recurrent budget	–	2.773 Billion
Development budget	–	1.325 Billion
TOTAL	–	4.098 Billion

(See annex/Environment and Natural Resources sub-sector budget proposals)

