

CLERK'S  
NAIROBI CITY  
COUNTY ASSEMBLY  
P. O. Box 45844-00100  
NAIROBI

# THE NAIROBI CITY COUNTY GOVERNMENT



## THE NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY – THIRD SESSION

THE REPORT OF THE SECTORAL COMMITTEE ON TRADE, TOURISM AND CO-OPERATIVES

ON

THE EXAMINATION OF SECOND SUPPLEMENTARY BUDGET ESTIMATES FOR FINANCIAL YEAR 2018/2019 FOR THE SECTOR OF COMMERCE, TOURISM & COOPERATIVES

Clerk's Chambers,  
CITY HALL,  
NAIROBI.

Edition: April, 2019



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## PREFACE

Hon. Chairman,

The Sectoral Committee on Trade, Tourism and Cooperatives is established under Standing Order No. 203 (1). Its mandate pursuant to Standing Order 203 (6) is to: -

- a) investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned departments;
- b) study the programme and policy objectives of departments and the effectiveness of the implementation;
- c) study and review all county legislation referred to it;
- d) study, assess and analyse the relative success of the departments as measured by the results obtained as compared with its stated objectives;
- e) investigate and inquire into all matters relating to the assigned departments as they may deem necessary, and as may be referred to them by the County Assembly;
- f) vet and report on all appointments where the Constitution or any law requires the County Assembly to approve, except those under Standing Order 196(Committee on Appointments): and
- g) make reports and recommendations to the County Assembly as often as possible, including recommendation of proposed legislation.

The Committee comprises the following Members: -

1. Hon. Charles Thuo Wakarindi, MCA – Chairperson
2. Hon. Jeremiah Karani Themendu, MCA – Vice-Chairperson
3. Hon. Lawrence Otieno Odhiambo, MCA
4. Hon. Samuel Ng'ang'a Mwangi, MCA
5. Hon. Paul Ndung'u Irungu, MCA
6. Hon. Jayendra Virchand Malde, MCA
7. Hon. Maurice Ochieng Onyango, MCA
8. Hon. Naftaly Wagura Mathenge, MCA
9. Hon. Wilson Ongele Ochola, MCA
10. Hon. Benson Mwangi Macharia, MCA
11. Hon. Millicent Wambui Mugadi, MCA
12. Hon. Wilfred Oluoch Odalo, MCA
13. Hon. Redson Otieno Onyango, MCA
14. Hon. Doris Ngoyo Kanario, MCA
15. Hon. Jacinta Wanjiru, MCA
16. Hon. Mary Njuguna Njambi, MCA



17. Hon. Emily Ondeje Oduor, MCA
18. Hon. Eve Malenya, MCA
19. Hon. Jane Muasya, MCA

Hon. Chairman,

The Committee exercise oversight role on the work and administration of the Commerce, Tourism and Cooperatives Sector.

In accordance with the Third Schedule of the Standing Orders, the Sectoral Committee on Trade, Tourism and Cooperatives is mandated to consider all matters relating to: - *“trade development and regulation, including markets, trade licenses (excluding regulation of professions), fair trading practices, local tourism and cooperative societies, Betting and Casinos and other forms of gambling and liquor licensing”*.

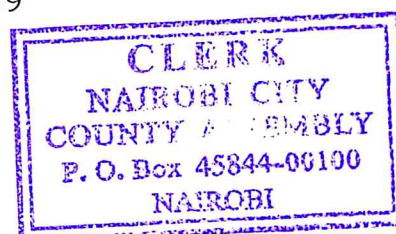
- On Wednesday, 10<sup>th</sup> April, 2019, the Deputy Majority Leader laid on the Table of the Assembly the County Supplementary Budget Estimates II for the FY 2018/2019 pursuant to the provisions of Section 135 of the Public Finance Management Act, 2012 and Standing Order 228 (1). The Supplementary Budget Estimates 2018/19 was thereafter committed to the Sectoral Committees of the Assembly for scrutiny and make recommendations to the Select Committee on County Finance, Budget and Appropriations. The Select Committee on County Finance, Budget and Appropriations is to report its recommendations to the Assembly.

Hon. Chairman,

- This Report contains the deliberations of the Sectoral Committee on Trade, Tourism and Cooperatives on the Supplementary Estimates II for FY2018/19 for the Sector of Commerce, Tourism and Cooperatives, briefing by the County Assembly Budget officer, briefing by the County Executive Member responsible for Commerce, Tourism & Cooperatives and Committee’s recommendations to the Select Committee on County Finance, Budget and Appropriations.

Hon. Chairman


The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the County Assembly for the support and services extended to the Members while considering the Sector Supplementary Estimates II for FY2018/19



I am grateful for the Members of the Committee whose support enabled the Committee to accomplish this task. Special thanks to the Secretariat for their support at all times.

On behalf of the Committee, I now have the honour and pleasure to present this Report on the Examination of the Sector Supplementary Estimates II for FY2018/19 to the Select Committee on County Finance, Budget and Appropriations for consideration

Thank You.

SIGNED ..... FOR  26-04-2019

HON. CHARLES THUO WAKARINDI, MCA  
(CHAIRMAN)

DATE..... 26-04-2019

## 1.0 INTRODUCTION

The Committee received the Supplementary Budget Estimates II for the financial year 2018/2019 for consideration and recommendation.

## 2.0 FY 2018/2019 SUPPLEMENTARY ALLOCATION AND COMMITTEE'S OBSERVATIONS

By the end of the 3<sup>rd</sup> quarter of the financial year 2018/19 the Sector absorption was at Kshs. 39.8 million for development against the budget of Kshs. 318 million. This depicted an absorption rate of 12.5 percent. Whereas on the recurrent budget, the Sector was able to spend Kshs. 211 million against the budget allocation of Kshs. 479 million which is 44 percent absorption exclusive of salaries. In overall budget, the Sector has spent Kshs. 250.9 Million against a total allocation of Kshs. 797 million translating to total budget absorption of 31.4 percent.

In the approved annual estimates for the financial year 2018/19, the Sector had been allocated a total of Kshs. 809 million, of which Kshs. 318 was for development and Kshs. 491 million was for recurrent. In the submitted Supplementary Estimates II, the Sector budget has been reduced to Kshs. 791 million, of which development budget has been increased to Kshs. 327.5 million and recurrent budget reduced to Kshs. 463 million.

During the meeting with the County Executive Committee Member responsible for Commerce, Tourism and Cooperatives, the Committee was informed as follows;

That generally, the Sector did not require any additional supplementary budget and that due to time constraints towards ability to absorb the approved voted provisions, within the remaining period before the end of the financial year, it was being deemed necessary to create savings for the purpose of paying the large Sector pending bills, where several projects had stalled. The bills had not been budgeted for in the current financial years' budget.

That on the recurrent budget, savings of Kshs. 15,211,275 have been made on the following areas; payment for subscriptions to Newspapers, Magazines and Periodicals, catering services, Sanitary and Cleaning Materials, Supplies and Services and procurement of general office supplies.



That development budget got an additional budget of Kshs 9.5million for pending bills payment after reallocation of Kshs 36.5m within the budget as follows;

Recurrent

RECURRENT SUB-HEAD	Approved Estimates	Revised Estimates	Total Payment Commitment s	Savings II	Sector proposed cut	Revised Budget II
5319000100 Headquarters	400,959,160	388,843,040	181,892,574	(1,319,000)	(573,500)	387,520,400
5319000200 Co- operative Development	9,215,550	9,215,550	4,101,341	(1,205,875)	(1,691,000)	8,009,675
5319000300 Tourism Development Department	14,599,200	14,599,200	6,185,725	(2,350,000)	(2,265,000)	12,249,200
5319000400 Co- operative Audit	5,450,000	5,450,000	2,042,880	(1,413,025)	(2,393,275)	4,036,975
5319000500 Markets Department	14,095,000	14,095,000	3,034,741	(3,485,000)	(3,272,500)	10,610,000
5319000600 Trade Licensing Department	17,705,000	17,705,000	7,184,982	(2,717,500)	(1,357,500)	14,987,500
5319000800 Weights & Measures Department	11,588,500	11,588,500	1,098,940	(4,245,000)	(1,607,000)	7,343,500
5319000900 Betting & Gaming Department	5,300,000	5,300,000	840,200	(2,051,500)	(2,051,500)	3,248,500



5319001200 Trade Development Department	12,520,000	12,520,000	4,719,620	(3,780,000)	-	8,740,000
5319000000 Sector Total	491,432,410	479,316,290	211,101,003	(22,566,900)	(15,211,275)	456,749,390

Development

5319000000 DEVELOPMENT	Project Details		Approved Estimate 2018/19	Revised Estimates	Adjustment	Revised budget after this supplementar
Administration and support Services	Refurbishment of City Hall mezzanine offices		10,000,000	10,000,000	0	10,000,000
		other creditors			46,000,000	46,000,000
Tourism	Construction of Tourism Information Centre		9,000,000	9,000,000	0	9,000,000
Market Services	New Constructions:					
	Kariokor Market Leather work Facility		15,000,000	15,000,000	+12,000,000	27,000,000
	Modern Kiosks		50,000,000	50,000,000	0	50,000,000
	Dandora Market E (Extension)		10,000,000	10,000,000	0	10,000,000
	Rehabilitation:					

	Rehabilitation of various Markets		50,000,000	50,000,000	-4,000,000	46,000,000
	Shauri Moyo-Burma		20,000,000	20,000,000	0	20,000,000
	Kahawa West		15,000,000	15,000,000	0	15,000,000
	Jogoo Road		40,000,000	40,000,000	-21,500,000	18,500,000
	Kariokor Market		15,000,000	15,000,000	-8,000,000	7,000,000
	City Park Reconstruction of burnt block		39,000,000	39,000,000	0	39,000,000
	Ngara Market		20,000,000	20,000,000	-10,000,000	10,000,000
Licensing and Fair Trade Practices (Weights and Measures)	Weighing Centre		15,000,000	15,000,000	-	15,000,000
	Weighing Centre laboratory Units		10,000,000	10,000,000	- 5,000,000	5,000,000
5319000000 Total Sector			318,000,000	318,000,000	9,500,000	327,500,000

That the outstanding Pending Bills received from the pending bills Committee as at 24<sup>th</sup> April, 2019 was Kshs. 54,000,398

The Committee noted that the County Executive had allocated Kshs. 46 million as "other creditors". The Committee was informed that the amount was to settle the pending bills in the Sector.

### 3.0 THE RECOMMENDATION OF THE COMMITTEE

The Committee makes the following recommendations to the Select Committee on County Finance, Budget and Appropriations for consideration;

- i) The Committee recommends the approval of the Sector's supplementary budget estimates II for the financial year 2018/19 as proposed.