

# THE NAIROBI CITY COUNTY GOVERNMENT



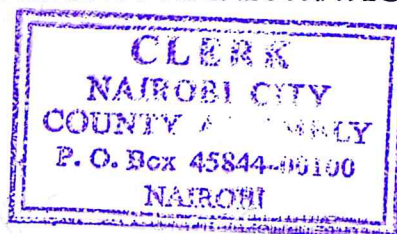
## THE NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY – SECOND SESSION

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

ON

THE CONSIDERATION OF THE COUNTY FISCAL STRATEGY PAPER 2018/2019



Clerk's Chambers,  
CITY HALL,  
NAIROBI.

Edition: April 2018



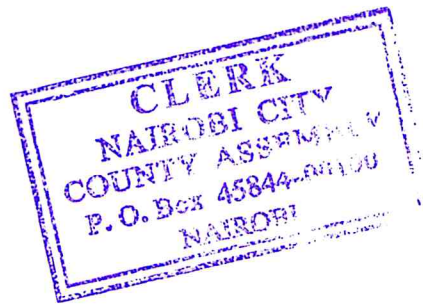
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## PREFACE

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. Lawrence Otieno Odhiambo, MCA | – Vice-Chairperson |
| 3. Hon. Samuel Ng'ang'a Mwangi, MCA   |                    |
| 4. Hon. Paul Ndung'u Irungu, MCA      |                    |
| 5. Hon. Jayendra Virchand Malde, MCA  |                    |
| 6. Hon. Maurice Ochieng Onyango, MCA  |                    |
| 7. Hon. Naftaly Wagura Mathenge, MCA  |                    |
| 8. Hon. Wilson Ongele Ochola, MCA     |                    |
| 9. Hon. Benson Mwangi Macharia, MCA   |                    |
| 10. Hon. Millicent Wambui Mugadi, MCA |                    |
| 11. Hon. Wilfred Oluoch Odalo, MCA    |                    |

12. Hon. Redson Otieno Onyango, MCA
13. Hon. Jeremiah Karani Themendu, 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 Thursday, 1<sup>st</sup> March, 2018, the Deputy Speaker laid before the Assembly the County Fiscal Strategy Paper 2018/2019 pursuant to the provisions of Section 117 of the Public Finance Management Act 2012. The County Fiscal Strategy Paper 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 pursuant to the provisions of Standing Order 221 (3). The Select Committee on County Finance, Budget and Appropriations is to report its recommendations to the Assembly pursuant to the provisions of Standing Order 221 (4).

Hon. Chairman,

This Report contains the deliberations of the Sectoral Committee on Trade, Tourism and Cooperatives on the County Fiscal Strategy Paper 2018/19 and its recommendations to the Select Committee on County Finance, Budget and Appropriations.

In its examination of County Fiscal Strategy Paper 2018/19, the Committee was keen to examine the Sector’s achievements, the projected resource allocation (ceilings) vis a vis the Sector’s resource requirements and priorities in the FY 2018/19.

Hon. Chairman,

In the County Fiscal Strategy Paper 2018/19, the Sector mentions that by the end of 2016/17 it had managed to complete renovation/rehabilitation works in eight markets i.e. Dandora, Githurai, Quarry road, Wakulima, Umoja I, Landhies, and New Pumwani markets, together with construction of footpaths in Wakulima market. Rehabilitation works are still ongoing in six markets i.e. Karen, City Park, Makina, ShauriMoyo, Kahawa west and Westlands markets at different levels of completion. Eight other projects are still being procured and completion expected before end of the financial year 2017/2018. While this could be true, it's evident that the Sector has performed dismally particularly in market rehabilitation. In fact, in a meeting held between the Committee with the responsible County Executive Committee Member on Tuesday 20<sup>th</sup> March, 2018, the Committee was informed that most of the Sector projects had stalled due to nonpayment. The Committee therefore expects that in the FY 2018/19, the Sector shall move with speed and complete its projects on time.

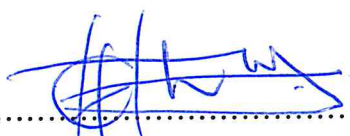
Hon. Chairman

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 County Fiscal Strategy Paper 2018/2019.

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 County Fiscal Strategy Paper 2018/2019 to the Select Committee on County Finance, Budget and Appropriations for consideration

Thank You.

SIGNED ..... 

HON. CHARLES THUO WAKARINDI, MCA

(CHAIRMAN)

DATE..... 21/3/2018 .....

## 1.0 INTRODUCTION

Hon. Chairman,

01. On Thursday, 1<sup>st</sup> March, 2018, the Deputy Speaker laid before the Assembly the County Fiscal Strategy Paper 2018/2019 pursuant to the provisions of Section 117 of the Public Finance Management Act 2012.
02. Standing Order 221(3) provides that the Fiscal Strategy Paper shall be deemed committed to the respective Sectoral Committees for scrutiny according to their mandates once it's laid before the Assembly and make recommendations to the Select Committee on County Finance, Budget and Appropriations.
03. Pursuant to Standing Order 221 (4), the Select Committee on County Finance, Budget and Appropriations is required to consult each Sectoral Committee while considering the Fiscal Strategy Paper and table its report containing its recommendations to the County Assembly for consideration.

## 2.0 EXAMINATION OF THE FISCAL STRATEGY PAPER (CFSP), 2018/2019

- 0.1 The Sectoral Committee on Trade, Tourism and Cooperatives held four (4) meetings to consider the CFSP with respect to the Sector of Commerce, Tourism and Cooperative one of which was attended by the respective County Executive Committee Member, Acting Chief Officer and Directors.
- 0.2 The Committee was keen to identify the Sector's achievements in the previous FY, the Sector's priorities and whether the ceilings provided in the FY Year 2018/2019 were adequate.
- 0.3 The Sector is responsible for provision of policy framework and enabling environment for County socio-economic growth and long term development. The Sector deals with Trade and Enterprise Development, Markets, Tourism, Licensing, Weights and Measures, Betting and Gaming, Cooperative Development, Cooperative Audit and Liquor Licensing.
- 0.4 In the Fiscal Strategy Paper, the Committee noted that the sector claimed to have implemented the following:
  - i) by the end of FY 2016/17, the Sector had managed to complete Rehabilitation works in 8 markets, that is Dandora, Githurai, Quarry road, Wakulima, Umoja 1, Landhies and New Pumwani Markets. in addition, rehabilitation of 6

markets ( Karen, City Park, Makina, Shauri Moyo, Kahawa West and Westlands Markets) were at different levels of completion while 8 others markets were at procurement stage expected to be completed by the end of the FY 2017/2018;

- ii) audited a total 724 Cooperatives which generated revenue in terms of fees totaling to Kshs. 14 million;
- iii) the Sector facilitated SME access to the Trade Development Joint Loans Board where 144 SMEs benefited and a total loan portfolio of Kshs. 29.6 Million was disbursed between 2013 and the end of FY 2015/2016;

*The Committee cannot ascertain whether the projects were implemented and this will have to be ascertained when the estimates for the FY 2018/19 are tabled. Indeed, the Committee is aware that most of Sector projects have stalled.*

0.5 The sector has listed the following as its set priorities in the FY 2018/19;

- a) create an enabling environment for domestic and international trade and investment;
- b) provide adequate business space for traders;
- c) promote compliance with Cooperative legislation;
- d) improve effectiveness in issuance, control and regulating business licensing;
- e) provide effective legal metrology and consumer protection; and
- f) promote tourism development within the County

0.6 The County Government in the Fiscal Strategy Paper 2018/19 intends to allocate 0.02671% of the County's resources to the Sector with the ceiling being capped at Kshs 896.8 Million comprising of Kshs 505.8 Million for recurrent and Kshs 391 Million for development.

0.7 proposed projects for the financial year 2018/19 – the Sector has proposed the following projects to be undertaken the financial year 2018/2019;



Program	Objectives	Project	Physical Location	Activities Description	Expected Output	K.P.I	Estimated Cost Ksh.	Time Frame
Trade Enterprises Development	Improve information dissemination on trade and investments in the county	Establish business information centres	CBD JKIA Kilimanjiri	Construct business information centres	3 information centres established	Tender documents BOQ Inspection certificate	10	July 2018/ June 2019
			Provide adequate spaces for traders	Establish new markets & rehabilitation centres	Kahawa West			
	Modern Kiosks All wards						100	
	Dandora Extension						50	
	Shauri Moyo						30	
	Ngara						11	
	Kariokor						20	
	City market						20	
	Jogoo road						20	
					Total		301	
Program	Objectives	Project	Physical Location	Activities Description	Expected Output	K.P.I	Estimated Cost Ksh.	Time Frame
Fair Trade practices								
		Establish a mobile verification unit	County wide	Acquire a mobile verification unit	Improved Capacity of weights and Measures Department	A functional mobile verification unit	10	July 2018 to Jun 2019

		Establish Weights and Measures Laboratory	County wide	Establish a Weights and Measures Laboratory	Improved Traceability of County Legal Metrology standards within the County	A functional weights and Measures Laboratory constructed & equipped	70	July 2018 to Jun 2019
				Total			80	
Programme	Objective	Project	Physical location	Activities description	Expected output	KPI	Estimated cost (Kshs)	Time frame
Tourism Development				Developed Tourism information centre	5 Policy documents developed	No. of policies Developed, Databases and	10	July 2018 to Jun 2019
				Total			10	

#### Development projects for the Financial Year 2018/19

### 3.0 RECOMMENDATIONS

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

- i) That the ceilings for the Commerce, Tourism and Cooperatives should be retained at 896.8 Million;
  - i) Development Kshs 391 Million
  - ii) Recurrent Kshs 505.8 Million
- ii) The County Executive should institute reforms in the finance process aimed at reducing the time taken during processing of payment to contractors. This should include decentralization of finance to Sector level.