

THE NAIROBI CITY COUNTY GOVERNMENT



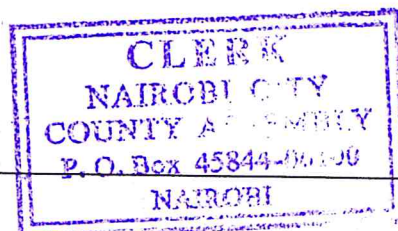
THE NAIROBI CITY COUNTY ASSEMBLY

SECOND ASSEMBLY – SECOND SESSION

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

ON

THE CONSIDERATION OF THE COUNTY INTEGRATED DEVELOPMENT PLAN
2018-2022 AND THE ANNUAL DEVELOPMENT PLAN 2018-2019



Clerk's Chambers,
CITY HALL,
NAIROBI.

Edition: March 2018

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PREFACE

Hon. Chairman,

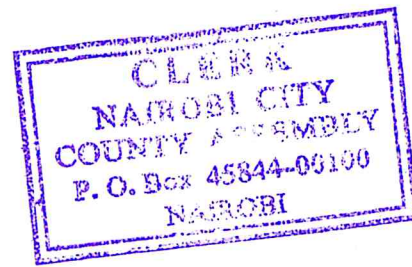
The Sectoral Committee on Trade, Tourism and Cooperatives is established under Standing Order No. 203 (1). Its mandate pursuant to Standing Order 203 (6) is to:-

- 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. James Mwangi Wambui, MCA | |

14. Hon. Doris Ngoyo Kanario, MCA
15. Hon. Jacinta Wanjiru, MCA
16. Hon. Mary Njuguna Njambi, MCA
17. Hon. Emily Ondahe 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 Tuesday, 20th February, 2018, the Leader of the Majority Party laid before the Assembly the County Integrated Development Plan 2018-2022 and the County Annual Development Plan 2018-2019 pursuant to the provisions of Section 126 of the Public Finance Management Act 2012. The County Integrated Development Plan 2018-2022 and the County Annual Development Plan 2018-2019 were thereafter committed to the Sectoral Committees of the Assembly for scrutiny and make recommendations to the Select Committee on County Finance, Budget and Appropriations within twenty one (21) days pursuant to the provisions of Standing Order 219 (3). The Select Committee on County Finance, Budget and Appropriations asked to report its recommendations to the Assembly pursuant to the provisions of Standing Order 219 (4).

Hon. Chairman,

This Report contains the deliberations of the Sectoral Committee on Trade, Tourism and Cooperatives on the County Integrated Development Plan 2018-2022 and the County Annual Development Plan 2018-2019 and its recommendations to the Select Committee on County Finance, Budget and Appropriations.

In its examination of the County Integrated Development Plan 2018-2022 and the County Annual Development Plan 2018-2019, the Committee was keen to examine the

Sector's achievements from the previous Integrated Development Plan 2013-2017 and Sector's development priorities, programmes and strategies.

Hon. Chairman,

In the County Integrated Development Plan 2018-2022 the sector mentions to have implemented various projects in the previous CIDP such as rehabilitation of a total of 8 markets, registration of a total of 274 cooperatives, promotion of Nairobi as a tourism destination, issuance of loans to 144 beneficiaries among others. While this could be true, it's evident that the sector has performed dismally particularly in market maintenance and rehabilitation. In fact, in a meeting held between the Committee with the responsible County Executive Committee Member on Wednesday 28th February, 2018, the Committee was informed that most of the sector projects are still at the procurement stage whereas other had stalled.

Hon. Chairman

The Committee held public participation exercise on Wednesday 7th March, 2018 at City Park Market, Westlands Sub-County and on Thursday 8th March, 2018 at Eastleigh North Social Hall, Kamukunji Sub-County. During the exercise members of the public validated the County Integrated Development Plan 2018-2022 and the County Annual Development Plan 2018-2019 with amendments to prioritize the proposed projects.


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 Integrated Development Plan 2018-2022 and the County Annual Development Plan 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 Integrated Development Plan 2018-2022 and the County Annual Development Plan 2018-2019 to the Select Committee on County Finance, Budget and Appropriations for consideration

Thank You.

SIGNED ^{for} 

HON. CHARLES THUO WAKARINDI, MCA
(CHAIRMAN)

DATE..... 14/03/18

1.0 INTRODUCTION

Hon. Chairman,

01. On Tuesday, 20th March, 2018, the Leader of the Majority laid before the Assembly the County Integrated Development Plan 2018-2022 and the County Annual Development Plan 2018-2019 pursuant to the provisions of Section 117 of the Public Finance Management Act, 2012.
02. Standing Order 219 (2) and (3) provides that the County Integrated Development Plan 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. The Select Committee on County Finance, Budget and Appropriations is required to consult each Sectoral Committee while considering the County Integrated Development Plan and table its report containing its recommendations to the County Assembly for consideration.

2.0 EXAMINATION OF THE COUNTY INTEGRATED DEVELOPMENT PLAN 2018-2022 AND THE ANNUAL DEVELOPMENT PLAN 2018-2019

- 0.1 The Sectoral Committee on Trade, Tourism and Cooperatives held five (5) meetings to consider the County Integrated Development Plan and the Annual Development Plan with respect to the Sector of Commerce, Tourism and Cooperatives one of which was attended by the respective County Executive Committee Member.
- 0.2 The Committee was keen to identify the Sector's achievements in the previous County Integrated Development Plan, the Sector's priorities and programmes in the proposed CIDP.
- 0.3 In the CIDP, 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

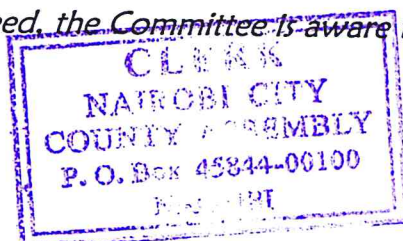
markets were at procurement stage expected to be completed by the end of the FY 2017/2018;

- 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;

0.4 During the scrutiny of the CIDP, the Committee noted that the Sector had not included achievements of other sub-sectors and therefore, the Committee requested for further information. the County Executive through a letter dated 5th March, 2018 responded claiming to have implemented the following in addition to what was stated in the CIDP;

- i) registered 274 cooperatives, revived 57 cooperatives, attended 1,556 general meetings and resolved 76 non remittance cases;
- ii) Weights and Measures collected a total of Kshs. 56,644,985 as revenue and verification of weighing and measuring equipment was done to 176,482 equipment;
- iii) In trade licensing, a total of Kshs 6,892,828,356 was collected from the FY 2013/2014 to 2016/2017;
- iv) there was promotion of Nairobi as a tourism destination through acquisition of 2 tour buses and heritage walks done with both local and international tourists; and through the promotion and adoption of “live, love Nairobi” Tourism brand. In addition, one tourism and investment guide book and one tourism documentary were developed during the period under review;
- v) In Gaming and Betting, the Sector had enacted the Nairobi City County Betting, Gaming and Lotteries Act, 2014. in addition the Sector has conducted daily supervision of all casinos and generation of returns on daily basis, licensed 600 pool tables, and gazetted Gaming and Betting functions

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 development priorities/ objectives in the CIDP;

- i) creation of an enabling environment for domestic and international trade and investment;
- ii) promotion of compliance with cooperative legislation;
- iii) improvement of effectiveness in issuance, control and regulation of business licensing;
- iv) promotion of tourism development in the County; and
- v) promotion of legal metrology and consumer protection

0.6 The Sector has listed the following as its set County flagship/transformational projects in the CIDP;

- i) Rehabilitation of markets – City Park, Makina, Shauri Moyo, Old Ngara, Kahawa West, Kariokor, Quarry Road Markets;
- ii) Construction of new markets – Ngumba, Mugumoini, Mwariro markets and modern kiosks in all Sub-Counties;
- iii) Establish cottage industry “Jua Kali” parks in Kamukunji and Starehe Sub-Counties;
- iv) Establish incubation centres in Kamukunji, Dagoretti and Embakasi North Sub-Counties;
- v) Establishment of business information centre in the Central Business District, Jomo Kenyatta International Airport and Kilimani areas;
- vi) carry out census in all the sub-counties;
- vii) one village on product program in the sub-counties;
- viii) developing a County public lottery in the CBD;
- ix) Devolve Weights and Measures services to sub-county level in all the sub-counties;
- x) Acquire a mobile verification unit to be based at South C Weights and Measures offices;
- xi) acquire a mobile tank calibration to be based at South C Weights and Measures offices;

- xii) acquire a weighbridge verification unit to be based at South C Weights and Measures offices;
- xiii) acquire an energy meter test bench to be based at South C Weights and Measures offices;
- xiv) acquire electricity meter test kits to be based at South C Weights and Measures offices;
- xv) install a water meter test rig to be based at South C Weights and Measures offices;
- xvi) acquire mass standards kits to be based at South C Weights and Measures offices;
- xvii) install a volumetric standard test rig to be based at South C Weights and Measures offices;
- xviii) construct a cold room facility to be based at South C Weights and Measures offices;
- xix) establish weight and measures laboratory to be based at South C Weights and Measures offices;
- xx) establish weighing centres in all the sub-counties
- xxi) establish a weighing equipment manufacturing cluster in Kariobangi Light Industries (Embakasi North Sub-County); and
- xxii) establish tourism information centres in 3 Sub-Counties

0.7 During briefing of the Committee by the County Assembly Budget Office, the following were the submissions from the Budget Office;

The Sector has failed to address the Concerns of public on the following issues and the Committee should seek to address and mitigate.

- *High cost of doing business*
- *Decentralization of licensing to sub-county level*
- *Harassment from the inspectorate department*

— The sector Outputs lacked base line and there is need for the sector to input the same so as to provide a monitoring start point.

— On the sector County transformative projects its imperative that the sector provides the contribution of the County towards the projects.

- In the ADP the Sector achievement collection of revenues under the sector underperformed with over Kshs. 1billion. There is need to establish why the sector performed poorly and measures that can be taken to improve revenue collection.
- Most of the Projects that were to be undertaken by the sector for the last five years seem to have either stalled or underway with non being complete, there is need to establish the sector ability to absorb allocated funds.
- The sector intends to establish 3 markets at the first year of implementation of the CIDP, however the ADP has been indicated that the sector intends to construct four markets at the cost of Kshs.2.4billion.there is need for the sector to align the projects.
- The establishment of business parks, Incubation centers and business information centers were to kick off in the second year of CIDP implementation. However the projects found themselves in the ADP implementing the first year projects.
- The Sector has indicated that it intends to carry out annual market maintenance and that noble effort should be applauded and encouraged as it address public concerns on market cleanness.
- Just like the CIDP it was noted that most of the projects indicated in the ADP were recurrent activities and should not have been in the development document.

0.8 During the public participation exercise held at Westlands and Kamukunji Sub-Counties;

In Westlands sub-county, the public participation exercise was held on 7th March, 2018 at City Park Market. During the meeting, members of the public urged the County to prioritize all pending projects to completion before embarking on the new ones.

Some of the projects included the following; completion City Park Market, completion of Thiong'o road in Mountain View Ward, installation of public lights due to insecurity especially in Parklands/Highridge Ward, solid waste management by recognizing community based garbage collection groups, among others.

The following were the issues raised by the Members of the public in Westlands Sub-County;

- ✓ poor business environment - the County Government should provide sheds at Githogoro and complete the City Park Market;

- ✓ Insecurity – install high mast lights;
- ✓ poor health and sanitation, lack of ambulances in the Sub-County
- ✓ lack of education and recreation facilities

Members of the public agreed with the proposed projects in Westlands Sub-County. The order of priorities should be considered.

In Kamunkunji sub-county, the public participation exercise was held on 8th March, 2018 at Eastleigh North Social Hall. During the meeting, members of the public raised the following issues;

California Ward

Members of the public informed the Committee that the following issues should be given priority;

- Construction of a laboratory at Biafra clinic and upgrade the clinic to accommodate more patients;
- establishment of a mobile clinic at New Pumwani Estate;
- poor roads network and drainage systems in the Ward;
- dilapidated state of classrooms , insecurity at the schools and lack facilities such as library– the County should upgrade ECD centres into modern standards;
- Lack of garbage collection points – the County should establish garbage collection points at Biafra, Kinyago, Kanuku and at the County Market at New Pumwani area

Eastleigh North Ward

- Road construction which include; major Mureithi road, major Kinyanjui road, Kirogothi road, stage Kahande street, Kunguru road and all service roads between 1st and 2nd Avenues;
- Installation of street lights and repair and maintain the existing ones;
- establish a health facility; and market

Pumwani Ward

Members of the public informed the Committee that the following issues should be given priority in Pumwani Ward;

- upgrading of Pumwani dispensary with enough staff, provision of Ambulances for emergency responses and adequate supply of drugs;

- tarmacking of Kisii and Mvinami streets;
- garbage collection and disposal points should be established in 8 points as follows; 5 points at at Majengo, Bondeni, Gikomba market and 3 points at Shauri Moyo;
- Upgrading of the ECDE centres as most of the centres lack essential facilities such as water storage sources, sewerage system, and perimeter wall among other.

Most Members of the public urged the County to undertake public participation exercise at the Ward level and the sensitization should be done earlier in advance.

0.9 Following the public participation exercise, the Committee noted that Members of the public had little idea on the difference between the two arms of the County Government and their respective roles.

3.0 THE COMMITTEE TO UNDERTAKE THE FOLLOWING

The Committee undertakes to follow up on the following;

- That the County Executive should devolve public participation on key issues such as County Annual Development Plans to the Ward level and sensitize members of the public in advance;
- That the County Executive should consider prioritizing the completion of all pending projects such as markets before embarking on new projects;
- that a special audit be done on 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 since the Loan was not established under the County regulations;
- that legal framework should be established for the disbursement of Trade Development loans to Small and Medium Enterprises and a Board constituted to manage the Loan scheme;
- That the County Executive should invest more in local tourism as compared to the international tourism. it is the mandate of the County to promote local tourism; as a result, it behooves the County Executive to identify sites that while attracts local tourism;

- That the County should come up with policies, legislations and regulations to streamline the departments of the Commerce, Tourism and Cooperatives. the County to come up with clear policies on hawkers' menace in the County, policies to differentiate sections of traders in the County; legislations on Weights and Measures, Markets and local tourism in the County

4.0 COMMITTEE'S RECOMMENDATIONS

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

- That the Sectoral Committee on Trade, Tourism and Cooperatives approves the County Integrated Development Plan 2018-2022 for the Commerce, Tourism and Cooperatives Sector with the view of completing all pending construction and rehabilitation of existing markets such City Park, Westlands, Karen, Makina, Shauri Moyo and Kahawa West before embarking on new projects;
- That the cost doing business in the County should be revised downward to accommodate small scale traders;
- In the County Annual Development Plan 2018-2019, the Committee recommend the construction of one (1) business centre preferably in the CBD as opposite to three (3) places; as the CIDP has indicted that business centres are to be established in three (3) places within 3 years; and the Kshs. 30 million be spread-out in the three (3) year term;
- the proposed construction of new markets (Quarry road, Shauri Moyo, Kahawa West and Jogoo road markets) at cost of Kshs. 600 million per market in the Annual development Plan contradict the proposed new markets in the CIDP, where the stated markets are to be renovated; the Committee recommend that proposed new markets in the ADP be amended to conform to what is stated in the CIDP and the amount adjusted accordingly;
- The CIDP is a document intended to lay out development plan, some of the activities indicated by the sector such as issuance of loans, training of SMEs, registration of Cooperatives among others are recurrent in nature and therefore they should be struck off the document.

